

By Mr. LEECH: A bill (H. R. 4785) granting an increase of pension to Jessie T. Gray; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4786) granting an increase of pension to Thresa Mishler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4787) granting an increase of pension to Belinda Bender; to the Committee on Invalid Pensions.

By Mr. MCCLINTOCK of Ohio: A bill (H. R. 4788) granting a pension to Jennie Ditch; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 4789) granting a pension to Hettie Bell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4790) granting an increase of pension to Lorena F. D'Armand; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4791) granting a pension to Beatrice Ophelia Simmons; to the Committee on Invalid Pensions.

By Mr. MURPHY: A bill (H. R. 4792) granting an increase of pension to Maria J. Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4793) granting an increase of pension to Ella J. Atkinson; to the Committee on Invalid Pensions.

By Mr. ROMJUE: A bill (H. R. 4794) granting a pension to William H. Masterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4795) granting a pension to Esther Elizabeth Atteberry; to the Committee on Invalid Pensions.

By Mr. ROWBOTTOM: A bill (H. R. 4796) granting an increase of pension to Mary M. Brady; to the Committee on Invalid Pensions.

By Mr. SCHAFER of Wisconsin: A bill (H. R. 4797) granting a pension to George Fleischhauer; to the Committee on Pensions.

By Mr. SHORT of Missouri: A bill (H. R. 4798) granting a pension to Ira Roberts; to the Committee on Invalid Pensions.

By Mr. SMITH of West Virginia: A bill (H. R. 4799) for the relief of James Johnson; to the Committee on Military Affairs.

Also, a bill (H. R. 4800) granting a pension to Alice B. Cook; to the Committee on Pensions.

Also, a bill (H. R. 4801) for the relief of the Gauley Bridge Baptist Church, of Gauley Bridge, Fayette County, W. Va.; to the Committee on War Claims.

Also, a bill (H. R. 4802) granting an increase of pension to Minnie V. Cobbs; to the Committee on Invalid Pensions.

By Mr. SNELL: A bill (H. R. 4803) granting an increase of pension to Mary Parris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4804) granting an increase of pension to Eliza A. Goodell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 4805) granting a pension to Nettie Champagne; to the Committee on Invalid Pensions.

By Mr. SOMERS of New York: A bill (H. R. 4806) granting a pension to James Dillon; to the Committee on Pensions.

Also, a bill (H. R. 4807) granting an increase of pension to Mary F. Perrin; to the Committee on Invalid Pensions.

By Mr. SWING: A bill (H. R. 4808) for the relief of Maddux Air Lines (Inc.); to the Committee on Claims.

By Mr. VINCENT of Michigan: A bill (H. R. 4809) granting a pension to Hugo Frie; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

757. By Mr. LEHLBACH: Petition to increase Civil War veterans' pensions; to the Committee on Invalid Pensions.

SENATE

FRIDAY, October 25, 1929

(Legislative day of Monday, September 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum. The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Caraway	Gillett	Heflin
Asbust	Connally	Glass	Howell
Barkley	Copeland	Glenn	Johnson
Bingham	Couzens	Goff	Jones
Black	Cutting	Goldsborough	Kean
Blaine	Dale	Gould	Kendrick
Blaise	Deneen	Greene	King
Borah	Dill	Harris	La Follette
Bratton	Edge	Harrison	McKellar
Brock	Fess	Hastings	McMaster
Brookhart	Fletcher	Hatfield	McNary
Broussard	Frazier	Hawes	Moses
Capper	George	Hayden	Norbeck

Norris	Robinson, Ark.	Steiwer	Walcott
Nye	Robinson, Ind.	Swanson	Walsh, Mass.
Oddie	Sackett	Thomas, Idaho	Walsh, Mont.
Overman	Schall	Thomas, Okla.	Waterman
Patterson	Sheppard	Townsend	Watson
Phipps	Shortridge	Trammell	Wheeler
Pine	Simmons	Tydings	
Ransdell	Smith	Vandenberg	
Reed	Smoot	Wagner	

The PRESIDENT pro tempore. Eighty-five Senators having answered to their names, a quorum is present.

REPORTS ON NOMINATIONS

Mr. JONES, as in open executive session, from the Committee on Commerce, reported nominations in the Coast Guard and the Coast and Geodetic Survey, which were ordered to be placed on the Executive Calendar.

Mr. PHIPPS, as in open executive session, from the Committee on Post Offices and Post Roads, reported sundry postal nominations, which were ordered to be placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES:

A bill (S. 1948) to amend the World War adjusted compensation act, 1924; to the Committee on Finance.

By Mr. COPELAND:

A bill (S. 1949) for the relief of Messrs. M. Aronin & Sons; to the Committee on Claims.

By Mr. WATSON:

A bill (S. 1950) granting an increase of pension to Mary M. Cherry (with accompanying papers); to the Committee on Pensions.

By Mr. REED:

A bill (S. 1951) granting a pension to Sadie Stepp; to the Committee on Pensions.

By Mr. BROUSSARD:

A bill (S. 1952) providing a nautical school at the port of New Orleans, La.; to the Committee on Naval Affairs.

A bill (S. 1953) providing for the examination and preliminary survey of Bayou Cocodrie, Bayou Courtableau, Bayou Boeuf, and Bayou Teche, in the State of Louisiana; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 1954) providing insurance relief for certain World War soldiers; to the Committee on Finance.

By Mr. JOHNSON:

A bill (S. 1955) for the relief of Maddux Air Lines (Inc.); to the Committee on Claims.

AMENDMENTS TO THE TARIFF BILL

Mr. COPELAND submitted two amendments and Mr. LA FOLLETTE and Mr. THOMAS of Idaho each submitted an amendment intended to be proposed by them, respectively, to House bill 2667, the tariff revision bill, which were severally ordered to lie on the table and to be printed.

WORLD PEACE

Mr. FRAZIER. Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York World of the 13th instant entitled "A Law Making It Unsafe to Start a War." It is by Prince Holm, of Denmark, a noted explorer, lecturer, and war correspondent.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York World, Sunday, October 13, 1929]

A LAW MAKING IT UNSAFE TO START A WAR—PRINCE HOLM'S PROJECTED PLAN WOULD CONSCRIPT RULERS, MINISTERS OF STATE, LEGISLATORS, AND ALL OTHERS FAVORING CONFLICT FOR FIRST-LINE TRENCHES—NO MORE WARS, SAYS COL. E. H. HOUSE, IF ALL NATIONS ENACTED PROPOSAL INTO LAW—OTHER PROMINENT MEN INDORSE PROPOSITION

(The naval disarmament possibilities which have resulted from the meeting of President Hoover and Premier MacDonald have made the problem of universal peace the most generally discussed of any in the realm of international affairs. The World herewith presents the most drastic scheme for abolishing war which has thus far been put into legal phraseology. The author is a distinguished Danish explorer, lecturer, and war correspondent. His plan is presented not as representing the views of the World but because of its general public interest.)

By Frits Vilhelm, Prince Holm

Since the so-called "great" war of 1914-1919 we have heard more of peace than ever, and the voices in favor of peace seem to emanate not only from vote-gleaning, professional statesmen-politicians, but also from the patient man in the street. Assuming, then, government by majority to be the obvious trend of the times, humanity ought to be

entitled to peace for a while, even to permanent peace, if that be a genuine desideratum of the majority.

More than 13 years ago Woodrow Wilson was renominated by the Democratic Party for the Presidency and was precariously reelected, thanks to the campaign slogan: "He kept us out of war!"

Within a month of embarking upon his second administration, which event happened on March 4, 1917, Wilson went to Congress and demanded authority to wage war on the Germans.

DREAMED OF ABOLITION OF WAR

Often in those days, both in Europe and in America, did I dream of the possibility of the world reaching a point of development where war would become restricted or done away with; and during the early spring of 1917 it forcibly occurred to me, upon returning to New York from Rome, that there might eventually be a way out, provided the electorate were to give its energetic support—a thing ever hard of accomplishment.

It struck me even then, perhaps only in a dim fashion as to details, that in case the United States had had on its statute books a law, which exactly covered the case of the sexagenarian Wilson joining the Allies as an associate; and if such a law had made it compulsory for the individuals, legally and morally responsible for the country's precipitation into a state of war, to fight in such war as common soldiers, more thought would have been expended by Wilson, by Congress, by his Cabinet, and by a few others, whose high, comfortable, political offices would have deteriorated under said law into a billet aboard a submarine, or in a trench dugout, or in a pursuit plane, before rhetoricianizing their Republic into participation at Armageddon.

Precisely the same observation, of course, applies to any and all of the powers that went to war in the summer of 1914. In fact, had a law like the one outlined below existed in Austria, the ultimatum of July 23, 1914, would have been less arrogant, however great Serbia's provocation, and no war would have been resorted to. England and Germany also would have stayed at home, as would Russia and France, under the projected law, and no World War would have ensued.

Eleven years after Wilson signed up with the Allies under authority from Congress, his right-hand man, Col. Edward M. House, who spent much time in Europe during the war as personal representative of the President, received from me, as did some 3,500 other persons of standing, the draft of a "projected law" for the abolition of war from within. On May 22, 1928, Colonel House wrote me:

"Thank you for sending me a copy of projected law.

"There is no doubt in my mind that if such a measure were on the statute books of every nation in the world there would be no further wars.

"I have long held the belief that those responsible for the making of war should share in its physical discomforts and danger."

AGREED WITH HIM IN PRINCIPLE

In other words, President Wilson's alter ego of bygone days agrees in principle with my plan, first by saying that were it possible to enact such a law everywhere, war would be done away with; secondly, by intimating that he would have been agreeable to the proposition of shipping the Cabinet and Congress, as well as a few others, under my "projected law," to war as privates in the Army or Navy.

Colonel House does not stand alone in favoring me with his opinion. Others who have indorsed the law are President Hamilton Holt, of Rollins College; Prof. Harry Elmer Barnes, of Smith College; Major and General Baron Schoenach, president of the German Peace Society.

The seventh revised edition of my plan follows:

"Whereas the elected representatives of this nation, lawfully assembled for the purpose of their legislative duties, find a growing desire on the part of mankind to abolish war in order to avoid its disastrous consequences to neutral, vanquished, and victor alike; and

"Whereas the existing instruments for that purpose, for example, courts of arbitration, treaties of amity or preference, attempts at limitation of armaments, associations or leagues of nations, peace propaganda and peace societies, and the hazardous profession of diplomacy are admittedly insufficient for said purpose; and

"Whereas it is felt that war is never caused by the public at large, but through misdirected power, or mistaken patriotism, or personal ambition of the minority ruling class, viz, the head of the state and/or his government; and

"Whereas this nation wishes to become the first to enact a law that forever abolishes war, which no set phraseology or idealistic tendency can arbitrarily "outlaw": Now, therefore be it

"Resolved, That in case this nation at any time becomes involved in armed conflict or war with another nation, or faction of another nation, whether for defensive, aggressive, repressive, imperialistic, or other purpose, the following measures shall, within 10 hours after the beginning of hostilities and/or the formal declaring of war, be carried into effect, to wit:

"(a) On the principle that their continuation in office has become wholly inadvisable, there shall be conscripted as simple soldiers or simple sailors, with rank of privates, in the nation's armed forces on land—although only in the Infantry shock troops—or at sea—although only for service on board submarines—or in the air, for the earliest possible

participation in actual hostilities against the enemy under fire, the following persons:

"(1) The head of the state, if male, whether president, sovereign, or regent.

"(2) All male blood relatives of the head of the state, having attained the age of 16 years.

"(3) All male civilian officials, and all military, naval, and air officers, attached to the household of the head of the state.

"(4) The prime minister and other secretaries of state, as well as all under and assistant secretaries of state, of the Government, except the secretary of state for peace, hereinafter mentioned.

"(5) All male representatives, elected by the nation for legislative work; i. e., all members of parliamentary or congressional bodies, of both lower and upper houses, except such members as voted openly against said armed conflict or war.

"(6) All bishops and prelates or ecclesiastics of similar rank, of the nation's churches, whether state churches or no, who failed publicly to oppose said armed conflict or war."

The above enlistments as privates are for the duration of the armed conflict or war and are enforced in disregard of the individual's age and/or condition of health, upon which the military medical officers will pass after enlistment.

"(b) There shall be conscripted as simple nurses or servants in the medical auxiliaries of the army, and for service only at the front, as near actual hostilities under fire as dressing stations and/or field hospitals are established, the following persons:

"(7) The head of the state, if female, whether president, sovereign, or regent.

"(8) All female blood relatives of the head of the state having attained the age of 16 years, and all male relatives according to a-2, as well as her consort.

"(9) All female officials attached to the household of the head of the state, and all male functionaries according to a-3.

"(10) All female representatives, elected by the nation for legislative work, except such as voted openly against said armed conflict or war.

"(11) All present wives, all daughters of present marriages, and all sisters, provided said women are entitled to vote at general elections, of the persons mentioned under a (1-6)."

The above enlistments as simple nurses or servants are for the duration of the armed conflict or war, and are enforced in disregard of the individual's age and/or condition of health, upon which the military medical officers will pass after enlistment. (Women, however, are exempt from enlistment in case of pregnancy and/or lactation until one year after date of last confinement.)

"(c) Promotion in rank, even for conspicuous military or medical service, is denied the persons mentioned under (a) and (b) forever; but their services, if worthy, may be recompensed with available national decorations.

"(d) The official positions vacated by drafting the persons under (a) and (b) shall be filled immediately by their preselected or preappointed deputy successors as follows:

"(12) The position of head of state is filled by the secretary of state for peace, hereinafter mentioned.

"(13) The position of prime minister and of other secretaries of state, including under and assistant secretaries of state, are filled by the successors chosen for that purpose at the preceding general elections, or by previous appointment by the head of state.

"(14) The positions of the elected representatives of the nation, except those who voted against the armed conflict or war in question, and who therefore remain in office, are filled by their deputy successors, designated at the preceding general elections; and be it further

"Resolved, That no armed hostilities of any kind whatsoever can be commenced without a two-thirds vote of the entire parliamentary body, assembled in one chamber, cast in favor of commencing an armed conflict or war, whatever its nature; and be it further

"Resolved, That inasmuch as war will become extinguished through the present law, the committee on disarmament of the elected representatives of the nation be forthwith directed to draw up in detail a plan for the abolition of the armed forces of the nation, a small remnant of which shall constitute this nation's contribution toward such international protective police force as the security of nations may require by treaty against piracy, banditry, etc.; and be it further

"Resolved, That the committee on constitutional amendments of the elected representatives of the nation be forthwith directed to draw up a report concerning the constitutional changes, if any, necessitated by the present law; and be it finally

"Resolved, That the physical enforcement of this law, should that improbable contingency ever arise, be intrusted to an armed body of 5,000 male voters, all avowed believers in peace, to be organized immediately by the principal peace societies of the country under the supervision of the secretary of state for peace, whose appointment and department are provided for in an annex.

"Annex: The cabinet position of secretary of state for peace and a department or ministry of peace are hereby created. The secretary of state for peace takes rank in the cabinet immediately after the prime

minister, whose office, however, may be exercised by said secretary of state for peace. Simultaneously the positions of secretary of state for war and secretary of state for the navy are merged into one, to be known as secretary of state for defense, who henceforth takes the lowest rank in the cabinet."

WOULD FIND WAY OUT OF DILEMMA

Should, under this law, the rare case arise where a king or a president or a reigning queen, as well as the members of his or her family, government, or parliament, would prefer staying at home to jumping overnight into the trenches, they would find, I am perfectly convinced, an easy way out of their dilemma by maintaining peace with their adversary.

The creation of the office of a secretary of state for peace is, of course, a thing that should have been undertaken by every sovereign State when its first cabinet was formed. Secretaries or ministers of labor and health are mostly creations of yesterday. Let us see to it that that of secretary for peace takes shape to-morrow!

And here we finally get to the question that I have so often been asked during the past year, while this war-abolition plan has been wending its slow way through the world's press: How is this project ever going to be enacted into law?

I reply, first and foremost, that an international campaign for creating the office of secretary of state for peace in each country, which lays claim to being civilized and to making progress toward the elimination of war (they all do), ought universally to succeed. There would not be a government living that would stand up and inform the world that it did not particularly need a secretary for peace, while simultaneously, according to fashion, advocating peace in general.

Needless to say, the duty of a peace minister would be solely creative work toward the elimination of war—not by fiat but by enforceable legislation.

While the highly desirable international propaganda for creating the office of secretary of state for peace in every country went on, another campaign, more national in scope, should be taken up everywhere. Through it the electorate should be informed about the possibilities of abolishing war by enacting a law like the one I submit above, or a similar one; also that no parliament or congress would be apt to pass such a law of its own free will, but only under heavy political pressure of the nation's voters.

LET CHARITY BEGIN AT HOME

Peace can be established, if truly wanted, by letting charity begin at home—in this case by passing a law in each country involving no new treaties, as the World of New York so wisely pointed out in discussing my plan in its issue of February 27, 1923, but enlisting human nature by making it legally obligatory upon the war makers themselves to rush to war, not as commanders in chief with private ambulatory flagpoles, nor as staff ornaments with aiguillettes, but as rankless privates and gory combatants.

Even were we to imagine the situation, where a country that had adopted this law were fairly suddenly (war never comes out of a clear sky!) attacked by another country, which did not live under a similar law, the attacked country would not be placed in any materially different position than heretofore, provided it had not wholly disarmed, except that its head of state, together with his executive and legislating partners, would go to war as privates, while their positions were automatically filled by persons who were not responsible for inviting the attack.

Which country, I wonder, is going to be the first to pass a law that abolishes war from within? It risks nothing by so doing! And surely it will blaze an open trail through a jungle of political hypocrisy, humbuggery, stupidity, and cowardice.

CEDING THE PUBLIC DOMAIN TO THE STATES—ADDRESS OF SENATOR BRATTON, OF NEW MEXICO

Mr. ROBINSON of Arkansas. Mr. President, the Senator from New Mexico [Mr. BRATTON] delivered an instructive and interesting address over a national wired hook-up from radio station WMAL last evening, concerning the subject of "ceding the public domain to the States." I ask that it may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The address referred to is as follows:

The subject to which I address myself and invite your attention, namely, whether the unreserved and unappropriated land constituting the public domain of the United States shall be ceded to the several States in which it is located, is not a new one. Statesmen, writers, and speakers have advanced their beliefs regarding it with marked erudition. Accordingly, I shall not indulge the hope that I may say anything new touching the problem. On the contrary, I shall be content if I may be able, through a hurried canvass of some features of the situation, to arrest attention, excite curiosity, provoke inquiry, and arouse a desire to solve the problem at a reasonably early date. That it will be foremost among the subjects considered during the forthcoming regular session of Congress is patent to everyone enjoying any

degree of familiarity with existing conditions. This will not be the first time Congress has dealt with it. It will be recalled that in 1833 Henry Clay introduced a bill, which subsequently passed through Congress, granting all public land to the States. It received a pocket veto at the hands of President Jackson. Bills to the same effect have been introduced and urged from time to time since. Indeed, several are now pending in the Congress.

Because the question is of peculiar vital concern to the States within whose borders this land is situated, and because its various aspects are relatively little understood by many people residing in other States who have only a nominal stake in the problem, with the consequent result that they are little versed in its intricacies, it may be well to state some of the salient features of the matter at hand. Virtually all of the land in question is situated in 17 States; the vast majority of it is to be found within 11 of these States, commonly called the public-land States. They are Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. The area embraces 190,000,000 acres in the public domain proper; 10,000,000 acres heretofore withdrawn by Executive order of the President for stock driveways and stock watering places, and 35,000,000 acres likewise withdrawn by Executive proclamation for coal, oil, and oil-shale reserves, thus making a total well in excess of 200,000,000 acres. It is larger than the combined area of Alabama, Arkansas, Connecticut, Indiana, Kentucky, Maryland, Massachusetts, New Jersey, West Virginia, and South Carolina. It is six times as large as the State of Pennsylvania. This does not include national parks, national monuments, national forests, Indian reservations, nor lands withdrawn for mineral reserves, power sites, and some additional reservations relatively small in quantity.

Speaking in even numbers, there are 155,000,000 acres in forest reserves, 48,000,000 acres in Indian reservations, 6,000,000 acres in national parks, 9,000,000 acres in stock driveways, 7,000,000 acres withdrawn for power sites and classifications, and 8,000,000 acres withdrawn for coal, oil, and oil-shale reserves. It is not advocated by anyone, so far as my knowledge extends, to disturb the autonomy of land heretofore reserved for the purposes just enumerated and now devoted to such uses. Let that be clearly understood lest some one interested in preserving our forests and other places of scenic value, or who feels a deep interest in the welfare of our Indian population should suffer disturbance of mind in the belief that the matter under discussion involves a proposal to grant or disturb those lands. That will not be done. The proposal concerns only unreserved and unappropriated land now constituting the public domain.

A written communication addressed by the President to Hon. Joseph M. Dixon, Assistant Secretary of the Interior, on August 21 last, and by the latter read to a conference of governors of the public-land States held at Salt Lake City, Utah, on the 26th and 27th days of that month, gave rise to the renewed discussion which is now manifesting itself in all parts of the country through press comment and otherwise. In his letter the President suggested the advisability of ceding to the States the surface rights to this land, reserving all subsurface minerals to the Federal Government. In order that the direct question, in all of its aspects, as well as its several related subjects, might be thoroughly and scientifically studied, culminating in suggestions made for consideration in connection with his recommendations to Congress, the President expressed himself as being in favor of the appointment of a commission of 9 or 10 members, at least 5 of whom should be chosen from leading citizens residing in the public-land States, and to that end he invited the governors of those States to recommend persons for such service. It is my understanding that the governors have submitted their recommendations. The President last week named Hon. James R. Garfield, Secretary of the Interior during the administration of President Roosevelt, as chairman of the commission. Others already named for membership include such outstanding men as Dr. Elwood Mead, Director of the Bureau of Reclamation; I. M. Brandford, commissioner of State lands and investments in the State of Montana; P. K. Tiffany, superintendent of hydraulics and reclamation in the State of Washington; George W. Malone, State engineer of the State of Nevada; William Peterson, geologist associated with the State Agricultural College of the State of Utah; I. M. Nash, State land commissioner of the State of Idaho; and Charles J. Moynihan, an attorney of note in Denver, Colo., who specializes in land-office and forestry matters. Other members will be subsequently named. In addition the President has announced that Secretaries Wilbur and Hyde will serve as ex officio members because of the interest the Departments of the Interior and Agriculture will have in the inquiry.

It is my understanding that the commission thus designated will be charged with the duty of making an exhaustive inquiry into the direct and related phases of the subject matter and of submitting their findings to the President for use in subsequent consideration of the proposal.

Let us address ourselves to the reasons which find support in the advocacy of passing title to this land to the States. It is my belief that the most important factor in the whole equation is conservation. Most of the land is suited only for grazing. Its value for this purpose is being rapidly reduced through reckless use and neglect. This is due to a lack of constructive regulation to prevent overgrazing and other

abuses by those who have no financial interest in the land itself. The gross overpasturing, admitted by all who are familiar with the facts, has grazed the land almost bare. The grass over vast areas has been destroyed to its very roots. Its complete destruction is at hand unless some sound, economic regulatory policy is evolved. With the gradual diminution of grass marked increase in soil erosion has followed swiftly. These combined conditions have reduced the productivity of the land as much as 80 and 90 per cent in some instances. To continue the present unregulated condition is to invite economic destruction. Regard for true principles of conservation lead unerringly to the conclusion that a change of policy in the very near future is imperative. This condition will correct itself gradually and steadily if the land is surrendered to the States, and they in turn pass it to private ownership, where the owner has the natural urge to protect and preserve his estate. It likewise will be cured if the State establishes, as it naturally will do, safeguards against these evils as to such part as may be leased for grazing purposes. Undoubtedly the States can be trusted, with their immediate knowledge of conditions, to meet the situation with expedition and effectiveness. As sound economic safeguards are promulgated and the soil restored to a higher productive condition more agricultural returns will be produced and increased herds will be grazed. It seems to me that due regard for the principles of conservation make it necessary to terminate the present situation with all haste and to speedily place this vast area under better regulatory supervision. That can and will be done when the land is delivered to the States. It will not be done so long as it remains in Government ownership.

I assert with emphasis that there is no longer any occasion for the Federal Government to hold this land. Doubtless in the past it was to the best interest of all concerned that the Government retain and exercise control over it in order that it might not be squandered. The States were then young, inexperienced, and perhaps would have wasted the heritage. That time has passed. The States are abundantly able to protect this land now and devote it to gainful purposes. They have heretofore received grants for educational and other purposes and have protected them with efficiency and fidelity. It may be safely said that they are prepared and will accept the proposed grant with due appreciation of their responsibility. Allow me to direct your attention to a statement made by the President in his communication, to which reference has already been made. He said:

"It may be stated at once that our Western States have long since passed from their swaddling clothes and are to-day more competent to manage much of these affairs than is the Federal Government. Moreover, we must seek every opportunity to retard the expansion of Federal bureaucracy and to place our communities in control of their own destinies."

With this statement I am in full accord. In addition, it should be borne in mind that the States are more familiar with the problems which, of necessity, will arise in the administration of this land, than the Federal Government can possibly be. The land itself is situated in the western part of the Nation, many hundreds and in some cases thousands of miles from the National Capital. In the very nature of things, the Federal Government is incapacitated by these long distances, eliminating other factors, to cope with the many difficulties inhering in the problem. The land is variegated in class and character. It is not uniform. Some of it is desert; some rough and rugged; some covered with sagebrush; some with greasewood; some with mesquite; while some is spotted here and there with cacti, each class presenting different problems for solution in determining the most advantageous use to which it can be devoted. There is, however, one problem common to it all, and that is water. Its scarcity has challenged the pioneers of every age who have ventured to exercise mastery over this vast domain. That challenge still exists and must be met. Those who know conditions best, and, therefore, are better equipped to meet and solve them, live in that region, not in Washington. Therefore the States are better able to classify the land, cope with economic conditions and evolve policies most conducive to the highest degree of conservation and productivity. I speak with measured words when I say that the States, through careful and scientific management, can devote most of it to a gainful use and cause it to bear some revenue. Adequate and appropriate legislation can be enacted providing methods for sale or lease, whereby some of it can be used for homesteads; some can be sold to the livestock growers, both large and small; and some can be leased to herdsmen, upon which livestock can be maintained, provided always, of course, that the revenue derived shall be devoted to the purposes specified in the act of Congress making the grant.

The grant should provide that all income derived from the sale, lease, or other disposition of the land, or any part thereof, should be used for maintenance of schools and/or construction of roads, thus leaving it to each State to determine how much or what part should be allocated to each purpose. It is my belief that the States should be left free to legislate upon the details as public policy might dictate. The extra cost of administering the trust would not be great. I think accurately when I say that each of the States has created some State agency through which it now administers the public land previously granted. With little additional machinery the land now proposed to be ceded could be administered effectively. The increased expense would be relatively small and measurably less than the sum now expended by

the Federal Government in the exercise of its meager and ineffective supervision. As illustrating the financial advantage the States would enjoy, I instance my own State of New Mexico. It will be recalled that the land now produces no revenue to the Federal Government. As contrasted with that situation, my attention was directed a few days ago to a press report containing a purported statement made by the land commissioner of New Mexico, in which he gave it as his deliberate judgment that the 17,000,000 acres of public domain in that State, if and when granted, would increase the annual income to the State \$500,000. If that statement is substantially correct and the same ratio should obtain in other States, it is easy to visualize the vast potential income that is now being lost to those States and at the same time enjoyed by no one. Not only would the land become subject to taxation and consequently bear revenue, but the industry conducted on it would likewise produce income. Accordingly, the State would replenish its exchequer from both sources.

It has been urged by some that the cession should not be made now because the remaining public land should be preserved for homestead purposes. A review of the pertinent facts will serve, I think, to dispel the soundness of such a belief. Turn with me hastily to a history of the legislation regarding homesteads upon public land. The first homestead law was enacted May 20, 1862—67 years ago. Different enactments have been made since then, but during all of that period a law has been in existence under which homestead entries could be made. Under the first law, an entryman could file upon and acquire 160 acres with all minerals. That statute contained no reservation whatever of minerals. On February 19, 1909, what is commonly called the enlarged homestead act was passed. It authorized an entry upon a maximum of 320 acres, without mineral reservation, of lands designated by the Secretary of the Interior as nonirrigable and suitable for dry farming, meaning that when a citizen sought to acquire a homestead of 320 acres, the Secretary must determine that the land affected was not irrigable in character and that it was suitable for dry farming. When so found, the entryman could acquire it and, in the event minerals were later discovered, they became his property unless it could be shown that he committed fraud in withholding information relating to their existence. The next act of a general nature was approved December 29, 1916, popularly called the stock-raising homestead law, applicable to all public-land States, authorizing an entryman to file upon 640 acres, with all minerals reserved to the Government. To otherwise express it, the entryman could get title to the surface rights to 640 acres, but not the minerals in connection therewith. They were reserved to the Government. It will be observed that the quantity of land obtainable has been progressively increased, the original act permitting the acquisition of 160 acres, the act of 1909, authorizing an acquiescent area of 320 acres, and the last act, making provision for acquiring 640 acres. I am perfectly certain that the moving cause for this increase in area was that the class and character of land remaining available for homestead purposes was constantly decreasing. The best land was always selected, thereby leaving the less desirable for those who came afterwards. It would be merely to state the obvious to say that those who went ahead entered upon the choicest tracts, situated alongside the streams and left that farther away for the ones who followed. The truth is that virtually all of the land suited and adapted to homestead purposes, or substantial agricultural production, has already been entered upon and passed to private ownership. Indeed, it is the frequent experience of one familiar with the area in question to see a vacant and dilapidated shanty supplying mute evidence that some brave pioneer waged a losing struggle against the forces of nature in his effort to acquire a tract of land upon which to support himself and family. Ceding the land to the States, however, will not necessarily foreclose the opportunity to make homestead entry upon it. Each State could, through appropriate legislation, provide for that. It could make suitable provisions for homesteading any part of it, with such conditions and limitations as popular sentiment might dictate in the halls of the legislature. So it will not do to say that the plan proposed should meet with disapproval because it will terminate all opportunity to devote any part of the land to homestead entry.

I have not essayed thus far to discuss whether the minerals should be granted along with the surface rights. It is my belief that they should be included in the grant. I regard it as fundamentally unsound in this Republic, resting upon the doctrine of equality among the States, frequently called the equal-footing doctrine, to allow some of the States to enjoy revenue from all of their lands as well as every type and class of minerals and deny that right to other States. It seems to me that such course violates the equity of the doctrine if not the letter of it. For instance, Pennsylvania owns and exercises sovereignty of taxation upon every acre of land within her borders, as well as every ton of coal or gallon of oil. New Mexico or Wyoming does not enjoy that degree of sovereignty. They are denied the right respecting much of their land and minerals. More, the people of Pennsylvania have an indirect and partial ownership in some of the land, as well as some minerals in New Mexico, Wyoming, and the other public-land States, while the converse of that condition is not true. That is inequality of sovereignty. So I should favor granting the subsurface minerals as well as the surface rights to the land. I believe the States are entitled

to them. If, however, the minerals can not be acquired by the States in question now, I shall support appropriate legislation granting the surface rights and leaving the other question for consideration at some future time. By this method a vast area of nonrevenue-bearing land will be placed upon the tax rolls. Industry will be conducted upon it. The income to the States will be increased in a substantial degree and the land, through stricter regulation and better husbandry, will be conserved and increased in its productivity. Time precludes me from discussing some other relevant and equally interesting features of this western problem.

SELECTION OF CENSUS ENUMERATORS

Mr. DILL. Mr. President, I ask unanimous consent to insert in the RECORD the correspondence between Congressman LOUIS LUDLOW and the President of the United States, the Secretary of Commerce, and the Director of the Census regarding the selection of census enumerators, referring particularly to the selection of ex-service men without regard to the political party affiliations they may have. Representative LUDLOW has shown a fine spirit and has rendered a real service to the cause of good government by the persistency he has displayed in this matter. The entire correspondence is so interesting and so important in this stage of the census preliminaries that I desire the privilege of inserting it in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered. The matter referred to is here printed, as follows:

On July 22, 1929, Representative LUDLOW wrote to William M. Steuart, Director of the Census, urging preference for veterans in making census appointments. In his letter to the director he said:

"Many disabled veterans are not employed. Many others are not drawing sufficient salary to support their families. To a great many the compensation paid to census enumerators, although small, would be a veritable godsend. They would welcome a chance to do this work. Please advise me whether or not it will be possible for you to make a specified allotment of appointments to veterans as census enumerators; and if so, how liberal a proportion of these places can be allowed to them."

On July 24, 1929, Director Steuart replied to Representative LUDLOW's inquiry, saying in part:

"Certainly it is my intention to give preference to such persons whenever possible in making the appointments for the coming enumeration."

"You know, and I believe every Member of Congress knows, that at least one enumerator will be required in every political subdivision to collect the statistics of agriculture and enumerate the population and possibly to gather other information required for the census. These persons will not be required to take a civil-service examination but they will be required to take an examination that I will prescribe for them. This examination will consist of the answering of a number of inquiries to enable the office to decide upon their qualifications, and also to prepare a census report for population, agriculture, etc., based upon a narrative furnished by the Bureau of the Census for this purpose."

"The bureau is now actively engaged in organizing the force of supervisors who will be required for the census. This organization should be well advanced by the coming fall, and it is the intention to then take up the selection of enumerators. From your letter I understand that you believe that the requirements for the census enumerators can give the largest number of appointments to veterans, their widows, etc., but it must be distinctly understood that all persons receiving these appointments must demonstrate their ability to do the work, and that they must not undertake the job unless it is their intention to see it through; also that they will have to have qualifications equal to those of other applicants."

On August 5, 1929, Representative LUDLOW sent the following letter to Secretary Lamont:

AUGUST 5, 1929.

HON. ROBERT P. LAMONT,

Secretary of Commerce, Washington, D. C.

MY DEAR MR. SECRETARY: The census of the United States that will be taken next year will be the second census since the great World War. In the aftermath of that gigantic struggle 4,000,000 Americans who saw service were reassimilated into private life. Many who went into the conflict in the buoyant strength of perfect young manhood returned saddened in spirit and ridden with disabilities, their bodies broken, and their earning capacity near the vanishing point. They had given their all, and nearly all they had to give was taken.

In Belleau Wood, on the heights of Montfaucon, in the water-soaked trenches, and amid the barbed-wire entanglements on all the fighting fronts Republicans and Democrats fought and died side by side. On the white crosses that stand row upon row in Flanders Field there is not found anywhere to-day the ignominious words, "Here lies a Republican," or "This man was a Democrat." The precious lives which they gave on the altar of unselfish service were the lives of patriots, not of partisans.

We are proposing next year in connection with the census to give employment on a large scale to the disabled veterans of that war. The other day, in response to a letter of inquiry sent to him, Mr. Steuart, the very fair and very efficient Director of the Census, replied that it was the intention to give preference whenever possible to veterans, whether disabled or not, and to their wives and widows, in making the appointments for the coming enumeration. As a total of 573 supervisors and 100,000 enumerators will be required, if veterans are appointed to no more than one-half of the places, this would mean that 50,000 veterans will be engaged in taking the forthcoming census. These appointments of veterans will be a direct recognition of military service.

But who are to be recognized? To my great astonishment I find in talking with Republican Members of Congress from various States that a set-up is now being made which, unless it is stopped by some regulation to be issued by the Federal administration, will result in the appointment of Republicans to all of these veterans' positions and the exclusion of disabled Democratic veterans. I repeat that the preferential rights of employment granted veterans are a direct reward for military service. Why, then, should these rewards be granted exclusively to Republicans and not to Democrats? With all my heart I want to see Republican veterans appointed to these positions, but I also want, with all my heart, to see Democratic veterans appointed, and that is why I am writing to you.

I happen to represent the district in which the headquarters of the American Legion is located. I hold no brief for the Legion. I have not discussed the matter with anyone, and I am writing this letter solely on my own responsibility, but I do not believe I would properly represent my district unless I made emphatic my protest against this proposed favoritism. I do not for a moment believe that Republican veterans want to monopolize these places or that they would willingly consent to the exclusion from the census patronage of their Democratic "buddies," with whom they shared the dangers of the battle fields and the hardships of the trenches, and for whom they have, while life lasts, the sacred feeling of comradeship. It seems to me that the very suggestion of giving 50,000 appointments (or whatever the number may be) to veterans of one political faith and none to veterans of another political faith will be abhorrent to right-thinking men and women of every political faith.

No administration in distributing the rewards of military service can afford to favor one group of veterans and ignore another group of veterans. That is not a legitimate field for partisanship. Public opinion would be outraged by it. It caused a Democratic boy just as much pain to be torn from his family, thrown into the trenches, and riddled with machine-gun bullets as it caused a Republican boy. Equal in battle, they should be equal in civil life.

I may be accused of seeking to inject politics into the census. I am not doing anything of the kind. It is already there. I am seeking to take it out of the census in so far as the census is to be made the vehicle for the distribution of rewards to veterans for military service. I know a veteran who was riddled by German machine guns in Belleau Woods. He was shot through seven times. He carries around a machine-gun bullet so close to his heart that, according to the quaint expression of the X-ray specialist who examined him, "whenever his heart beats the bullet wiggles." He is able to do only light work. The other day when I discussed in a preliminary way with a Member of Congress the matter of getting him a position as census enumerator the answer was:

"It's no use to try. He's a Democrat!"

If I am not mistaken, the head of the American Legion at the present time is a Democrat. Under the political set-up that is being made to control this census patronage he would be out of luck if he were to apply for a job. Great enough, beloved enough to be chosen to command the Legion, he would not be eligible to a veteran's rights for a census job—because, forsooth, he is a Democrat.

If there is any justice in the national administration—and I believe there is—this condition will be speedily corrected. I am not bringing this matter to your doorstep in any spirit of carping criticism. It is not my purpose to embarrass the administration but rather to assist it by helping it to avoid a disastrous mistake. I am a Democrat, but I have a great deal of admiration for President Hoover. I have supported him whenever I thought he was right, and I shall continue to do so. I must say that up to date I think he has been right a great deal of the time; but I am sure the Hoover administration will go very far wrong unless it takes steps to break up the nation-wide set-up which the politicians are forming to appoint only Republicans in the census field force, a set-up that would shut out some 25,000 Democratic veterans, wives and widows, more or less, who are equally entitled to these places.

Permit me to say that I think the situation could be effectively cured if you would cause to be issued to supervisors of census some such instructions as the following:

"In choosing enumerators there shall be no discrimination against any veterans, their wives or widows, on account of political beliefs."

I promise you that unless some order like this is issued and enforced all of these census positions will go into a patronage grab bag and

harm will be done not only in depriving Democratic veterans and their families of employment rightfully due them, but even more, by the object lesson of the Government taking sides with one group of veterans and ignoring another group in distributing the rewards of military service and sacrifice.

I make these suggestions in the best of faith. I want to see the national administration succeed, and it can only succeed by being right. I respectfully request that you will give serious consideration to the matters herein presented.

Very sincerely yours,

LOUIS LUDLOW.

On September 30, 1929, Representative LUDLOW wrote to President Hoover as follows:

SEPTEMBER 30, 1929.

HON. HERBERT HOOVER,
The President of the United States,
Washington, D. C.

MY DEAR MR. PRESIDENT: I desire respectfully to call your attention to a situation of which I believe you are unaware, that has arisen in connection with the appointment of the field force for the fifteenth decennial census. I do this because I sincerely believe that a national scandal is threatened, in that wrong will be inflicted upon a large body of World War veterans and other veterans unless Executive action is taken to prevent it.

It is an established fact that in appointing the 573 supervisors and 100,000 enumerators who are to take the census next year preference is to be given to veterans as a reward for military service and sacrifice. It also is notoriously true that all, or practically all, of the veterans who are to be appointed will be chosen from one political party unless orders to the contrary are issued by the proper Executive authority. The set-up which is to bring this about is nation-wide. The United States Civil Service Commission has been put on notice, but it is powerless to prevent the impending outrage. The commission has received direct and specific information from one western district that only persons (including veterans) of one political faith are to be appointed as enumerators by the supervisor in that district. The commission, regretting its impotency, has passed the letter on to the Director of the Census.

I am calling this situation to your notice now because the remedy should be applied now, if it is to be effective. Census supervisors already are selecting enumerators and are making commitments. It is important that without further delay a rule of conduct shall be laid down for the guidance of supervisors, under which there will be no possibility of injustice.

I have faith in you, Mr. President. I do not believe for a minute that you would condone or countenance a wrongful thing. Since I have been a Member of Congress, a period concurrent with your own administration, I have supported you on all righteous measures, and I shall continue to do so. Because I have faith in your righteousness of purpose, I have believed, and do now believe, that merely to direct your attention to the injustice of recognizing one group of veterans in the census appointments and refusing to recognize another group will prompt you to take action to prevent such an inexcusable outrage.

As a Member of Congress who numbers among his constituents many men of both political parties who, when the call came, offered all they had on the altar of civilization, and as a citizen who believes in a square deal for all veterans, I ask you, sir, to cause to be issued to supervisors of census the following, or similar, instructions:

"In choosing enumerators there shall be no discrimination against any veterans, their wives, or widows on account of political beliefs."

It is true that if supervisors and their political sponsors desire to appoint veterans of both political parties on an equal basis, they may do so, but it is also true, and everybody knows it, that they will not do so unless instructions are issued from Washington.

I like to feel that when I see a wrong about to be committed, especially a wrong on a national scale, I do not need to apologize for bringing it to your attention. I have outlined the situation and the threatened scandal of which I speak to other officials without results. I am now faced with the alternatives of dropping the matter altogether or of bringing it to you as a last resort. I am not content that the matter shall be dropped without an appeal to you as our President. The issue is too important to be lightly disregarded. I sincerely and conscientiously believe not only that the sense of American fair play will be grievously violated, but that, in the unfortunate event of another war, the morale of our people would be greatly impaired if the Government is to prefer one group of veterans over another group of veterans in distributing rewards based upon military service. If this plan goes through, perhaps 25,000 World War veterans will be told, in effect:

"You are good enough to fight and to die for your country, but you are not good enough to hold office under it."

Right is right and wrong is wrong, and this is a case where no microscope is required to find the wrong. I know you are devoted to the right, and it would make me happy to be advised that you can see your way clear to issue instructions in connection with the census appointments which will guarantee to veterans of all political parties

absolute impartiality in the distribution of the rewards of military service and sacrifice.

Very sincerely yours,

LOUIS LUDLOW.

On October 8, 1929, Walter Newton, the President's secretary, wrote to Representative LUDLOW as follows:

OCTOBER 8, 1929.

HON. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR CONGRESSMAN: The President requests me to acknowledge the receipt of your letter of recent date and to say it is being referred to the Secretary of Commerce, who is in charge of census matters.

Sincerely yours,

WALTER H. NEWTON,
Secretary to the President.

On October 12, 1929, Secretary Lamont sent the following letter to Mr. LUDLOW:

OCTOBER 12, 1929.

HON. LOUIS LUDLOW,
House of Representatives, Washington, D. C.

MY DEAR MR. LUDLOW: Your letter of September 30, to the President, has come to my attention.

As you already have had the matter up with Director Steuart, you undoubtedly know how the situation is being handled here; but I shall simply quote two paragraphs from the instructions to supervisors sent out by the Census Bureau:

"PAR. 68. Appointment of enumerators nonpolitical: All appointments should be made solely with reference to the fitness of the person appointed and without reference to the political party affiliations.

"PAR. 69. Military service: In making appointments preference must be given wherever possible, to honorably discharged soldiers, sailors, or marines, and widows of such, and to the wives of injured soldiers, sailors, and marines, who themselves are not qualified, but whose wives are qualified to hold such positions."

Sincerely yours,

R. P. LAMONT.

Commenting on these instructions, Representative LUDLOW gave out a statement, saying:

"I never have believed that President Hoover, for whose broad-minded fairness and sense of justice I have great respect, would permit political merchandise to be made out of appointments that are to be given to veterans as a reward for military service. The possibility that such a thing may be done has aroused opposition from coast to coast, and I have received many letters on the subject. The census is too important an undertaking to be made the football of politics, and I am sure the Nation as a whole will applaud the President's decision that these appointments should be made solely on a basis of fitness. It is now up to the 573 supervisors to carry out the instructions of the administration by selecting enumerators on merit alone."

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the committee on page 18, line 16.

Mr. SMOOT. Mr. President, I send to the desk a list of names submitted by minority members of the Senate Finance Committee and a list submitted by the Senator from Michigan [Mr. COUZENS], to be transmitted to the Secretary of the Treasury, asking for certain income-tax returns. I ask that the lists be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The lists are as follows:

REQUESTS MADE BY MINORITY MEMBERS OF THE SENATE FINANCE COMMITTEE FOR INCOME-TAX RETURNS UNDER SENATE RESOLUTION 108

American manufacturers

American Lithographic Co., New York City.
Palm Bros., Norwood, Ohio.
Palm Fechteler Co., New York City.
International Transparency Co., Cleveland, Ohio.

REQUESTS MADE BY MINORITY MEMBERS OF THE SENATE FINANCE COMMITTEE, FOR INCOME-TAX RETURNS UNDER SENATE RESOLUTION 108

Detroit Stained Glass Works, Detroit.
Flint Faience & Tile Co., Flint.
Eberbach & Son Co., Grand Rapids.
Whitman & Barnes, Detroit.
Goddard & Goddard (Inc.), Detroit.
National Twist & Drill Co., Detroit.
Kellogg Corset Co., Jackson.
Keeler Brass Co., Grand Rapids.

General Manganese Corporation, Detroit.
 Luna Manganese Co., Jackson.
 R. E. Danaher Co., Detroit.
 William R. Roach Co., Grand Rapids.
 Booth Fisheries Co., Bay City.
 Booth Fisheries Co., Charlevoix.
 Booth Fisheries Co., Detroit.
 Wolverine Fish Co., Detroit.
 Atlantic Coast Fisheries.
 International Cement Corporation.
 Lehigh Portland Cement Corporation.
 Alpha Portland Cement Corporation.
 Atlas Portland Cement Corporation.
 Michigan Alkali Co., Wyandotte.
 Scott & Howe Lumber Co., Ironwood.
 J. W. Wells Lumber Co., Menominee.
 Northwestern Coopers Co., Gladstone.
 Ward Bros. Co., Big Rapids.
 I. Stephenson Co., Trustees, Wells.
 Wisconsin Land & Lumber Co., Hermansville.
 Grand Rapids Veneer Co., Grand Rapids.
 Robert W. Irwin Co., Grand Rapids.
 Ypsilanti Reed Furniture Co., Ionia.
 Thayer & Co., Benton Harbor.
 Belding Basket Co., Belding.
 Ultra-Nu Basket Co., Niles.
 Fisher Drummond Wall Paper Co., Grand Rapids.
 Van Leyen Hensler Co., Detroit.
 Perkins Bros., St. Joseph.
 Williams Bros., St. Joseph.
 Tanglefoot Co., Grand Rapids.
 Daisy Manufacturing Co., Plymouth.
 Kalamazoo Sled Co., Kalamazoo.
 Carrom Co., Ludington.
 King Manufacturing Co., Plymouth.
 Somers Bros. Match Co., Saginaw.
 Kleckhefer Container Co., Three Rivers.
 Eddy Paper Corporation, Three Rivers.
 F. W. and F. Carlisle Co., Saginaw.
 Michigan Tanning & Extract Co., Petoskey.
 Loescher Tanning Co., Muskegon.
 Eagle Ottawa Leather Co., Grand Haven.
 Graton & Knight Co., Detroit.
 Braden & Whiting, Flint.
 F. Rainville Co., Grand Rapids.

REGULATION OF PUBLIC UTILITIES

Mr. WAGNER. Mr. President, I ask unanimous consent to call up Senate Resolution 124, submitted by me on September 30, 1929. I am sure there is no objection to the resolution and that it will not arouse any debate.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Yes; there is objection if it is going to lead to any debate at all.

Mr. WAGNER. I assure the Senator there will be no discussion at all.

Mr. SMOOT. If there is, then I shall object.

The PRESIDENT pro tempore. Is there objection?

Mr. SMOOT. Let the resolution be read.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The Chief Clerk read the resolution.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. WAGNER. Mr. President, I desire to modify the resolution. The effect of the modification is simply to eliminate the third whereas from the preamble and from the resolution the requirement that the Federal Trade Commission shall be directed to give to the New York Public Utilities Commission access to its records. The resolution was laid aside when I originally introduced it so as to give me an opportunity to confer with the Federal Trade Commission to ascertain whether the passage of the resolution might in some way embarrass the commendable investigation which they are now conducting.

As the result of that conference I received a letter from the Federal Trade Commission requesting that I eliminate from the resolution the requirement that they exhibit their records, because it might embarrass the prosecution of the present investigation in some way or other. They convinced me that there might possibly be embarrassment, but they stated that they would happily cooperate in any way that the New York State Public Utilities Commission might suggest and would give access to any records which under their regulations and the regulations governing their investigation would be proper to exhibit to a State commission. I ask that the letter which I have received from the Federal Trade Commission in relation

to this subject matter may be printed in the RECORD as a part of my remarks.

The PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from New York exercises his right to modify the resolution. The modification will be stated by the clerk.

The CHIEF CLERK. The Senator from New York proposes to modify the resolution proper in line 1 by striking out "the Federal Trade Commission"; in line 2, by striking out the word "are" and inserting the word "is"; and in line 6, by striking out the word "their" and inserting the word "its."

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. COUZENS. I desire to point out that the Senator from New York and I have worked in cooperation with respect to this matter, and it has now been simmered down so that the Federal Power Commission may furnish such records and information as it may have to the Governor of the State of New York. So far as the Federal Trade Commission is concerned, it is perfectly willing to furnish any information it may have which does not in any way interfere with the examination it is now conducting into the power companies of the country. So I think the resolution as modified by the Senator from New York is entirely in order, and I hope it will be adopted.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. NORRIS. Mr. President, let me say—

Mr. SMOOT. Mr. President, if the resolution—

Mr. NORRIS. Mr. President, I have the floor, and if the Senator from Utah desires to interrupt he can do so in the regular way.

The PRESIDENT pro tempore. The Senator from Utah has the floor.

Mr. SMOOT. I will say to the Senator from Nebraska that I have the floor.

Mr. NORRIS. I will submit that question to the Chair. Mr. President, has the Senator from Utah the floor?

The PRESIDENT pro tempore. The Chair thought so.

Mr. NORRIS. I will abide by the decision of the Chair and sit down now. I should like to say, however, that before the resolution shall be adopted there must come a time when I shall be privileged to be heard in my own right.

The PRESIDENT pro tempore. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I simply want to say that if the consideration of the resolution is going to lead to debate, I shall object to it. We have now spent 10 minutes upon it and if it is not going to lead to further debate I am perfectly willing to have it adopted.

Mr. WAGNER. Mr. President, it will not take very long to consider the resolution. I hope the Senator from Utah will indulge the Senator from Nebraska in making his remarks. I should like very much to hear any objection he may have to the resolution, because the resolution in its present form is the result of my conference with the Federal Trade Commission, and particularly its counsel, Mr. Healy.

If any step which I have taken in relation to framing the resolution is a mistaken one I should very much like to be apprised of it.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. NORRIS. Mr. President, I myself do not like the modification of the resolution which the Senator from New York has submitted, although I never heard of it until now. I think we ought to cooperate with the New York authorities by all means within our power; that we ought to direct all Federal instrumentalities, bureaus, and so forth, to cooperate with them; but I do not like the idea of entirely striking out the Federal Trade Commission in the resolution. It will be able to cooperate more than will the Federal Power Commission, as I understand. It will have more information that will be available to the New York authorities, to the governor, and to the New York commission. I, of course, would not want to take any steps here—nobody would, and the New York authorities would not expect us to take any steps—that would interfere with a proper investigation by the Federal Trade Commission. It seems to me instead of striking out entirely the Federal Trade Commission the Senator from New York should have modified the resolution so as to limit the giving of information by the Federal Trade Commission to such cases and to such instances and to such matters as would not, in its judgment, interfere with the investigation which it is conducting.

As the Senator has modified his resolution, as I understand, he has entirely stricken out the Federal Trade Commission;

and if the resolution shall be passed in that form, if that commission wanted to, technically it could refuse to give the New York commission any information and it might hamper them somewhat.

I have not heard read the letter which the Senator from New York asked be incorporated in the Record as a part of his remarks. Perhaps when that letter shall be read and made a part of the RECORD it will afford a sufficient explanation so that we will not be reluctant to adopt the modification proposed by the Senator from New York to his resolution.

Mr. WAGNER. Mr. President, I have sent for and received the letter from the desk, and I was just about to suggest that it be read.

Mr. NORRIS. I should like to have the letter read. The PRESIDENT pro tempore. The clerk will read the letter.

The Chief Clerk read as follows:

FEDERAL TRADE COMMISSION,
Washington, October 3, 1929.

Hon. ROBERT F. WAGNER,
United States Senate, Washington, D. C.

DEAR SENATOR WAGNER: Our attention has been called to the resolution which you introduced in the Senate September 30, and particularly to that part of it which provides that the Federal Trade Commission is "authorized and directed to extend to the New York State commission and to the Governor of New York and their duly accredited representatives and agents, access to the exhibits, reports, and other documents secured in the course of their investigations and studies, and the publication of which is not prohibited by law, and otherwise establish such cooperative contact as may be jointly advantageous to the inquiries which are being pursued by the aforesaid Federal Commission, the Governor of New York, and the New York State commission."

I am certain of your interest in the successful completion of the investigation which was committed to us by Senate Resolution 83, Seventieth Congress, first session, and I understand from Judge Healy that you desire us to express to you our views. Accordingly I am writing you after a conference with him and Doctor Walker, our chief economist.

This commission is authorized to gather information relating solely to interstate commerce. The power companies which have turned over various data to us—much of it voluntarily and not in response to process—intended it for use in our investigation and not for some other body and its investigation. I feel that disclosure of such information to other investigating bodies in advance of making use of this material ourselves would in most cases seriously interfere with the efficient conduct of our inquiry.

The information which we have gathered and will gather ought not to be disclosed to the public in fragments. Our plan is to go through the affairs of each company subject to our jurisdiction at a consecutive series of sessions—to paint the picture as a whole if we can. And the purpose is to do so just as fast as material is assembled.

Our examiners have examined and will examine the books and files of many companies. Their reports will be made to the officers of the commission, and it is entirely conceivable that they will contain matter which the companies may wish to contend ought not to be introduced into our public record. If we agree with them in any instance it will be our duty to return such matter to them without any public disclosure of it.

The power of the State of New York over its own corporations is at least coextensive with the power of the commission over New York companies engaged in interstate or international commerce. Nevertheless, we will gladly cooperate with the New York commission and the Governor of New York in every proper way to aid them in their efforts to develop the facts and solve the public problems involved, but we feel it will hamper the successful completion of our own investigation under Senate Resolution 83 to allow access to the papers, records, and data in our hands prior to their introduction into the public record of our hearings.

The problems which the prosecution of our inquiry brings to us are manifold, and I doubt if anyone not thoroughly in touch with our preparation could foresee, as we think we do, just how your resolution might affect us. Entertaining these views on the subject, I can but express my earnest desire that your resolution, at least the part hereinbefore quoted, may not be adopted.

With sincere respect, I am, cordially yours,

E. A. MCCULLOCH, Chairman.

Mr. NORRIS. Mr. President, after the reading of the letter, I am not going to object to the resolution being changed, although I do not like the modification, and I want to say just a word or two about it.

It is quite evident from the letter that the Federal Trade Commission has secured and will continue to secure information from various corporations, partnerships, and perhaps individuals upon a pledge given that such information will not be divulged. Of course, as to any information obtained on that kind of a pledge I would not take any step that would in any way even

indirectly cause a violation of the promise. I do, however, feel that there ought to be a word said about such promises and about obtaining information under them.

It is of doubtful wisdom, in my judgment, for any commission of the Federal Government to get information given voluntarily on the condition that the information shall not be divulged to anybody. It seems to me, Mr. President, that the Federal Trade Commission for all of its official purposes ought to be able under the law to get all the information that it can use in the consideration of any matter that may officially come before it, and that it ought to be able to get it without stipulating any conditions with the private individuals as to its use.

If individuals or corporations are carrying on a business that affects the public, that affects interstate commerce, the public is entitled to know what the business is and how it is conducted; whether it is conducted illegally; whether things are done illegally; and the commission ought to be clothed with sufficient authority to get that information either with or without the consent of the people who have it. If they have not that authority now under the law, they ought to be given that authority. I have no further objection to the resolution.

Mr. WAGNER. Mr. President, I merely wish to say to the Senator that I suppose everybody up to the present time agrees that the Federal Trade Commission is making a very thorough and very commendable investigation of public utilities, and the prospects are that that investigation will continue. Since I was informed by its representatives that my resolution might embarrass the successful prosecution of that investigation, I agreed to the amendment of the resolution, because I wanted not to take the responsibility in any way of embarrassing or curtailing that investigation.

I want to say to the Senator from Nebraska that the information I have is that the information which has been voluntarily given to the commission is information which it is very questionable they could obtain under legal process, and it is because of the voluntary nature of the imparting of the information that my resolution might cause embarrassment. That is the reason I assented to the amendment.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as modified.

Mr. HEFLIN. Mr. President, let the resolution, as modified, be reported.

The PRESIDENT pro tempore. The clerk will read the resolution as modified.

The clerk read the preamble and resolution as modified, as follows:

Whereas a special commission has been created under the laws of the State of New York for the purpose of investigating the regulation of public utilities therein, with power to recommend legislation; and

Whereas the Governor of New York, through the executive department of the State, has likewise undertaken an investigation into the entire power situation in that State, the result of which may have a profound effect upon the ascertainment of just and reasonable rates to consumers, and reasonable and proper regulation of public utility companies; and

Whereas the Federal Power Commission has made extensive investigations and studies in the same field; and

Whereas the investigations and studies of this Federal agency have resulted in the collection of statistics and other data relating to the operation and regulation of power and other utility corporations, access to which would be helpful to the New York commission aforesaid, as well as the investigation undertaken by the Governor of New York through the executive department of the State; and

Whereas the cooperation of the Federal Power Commission with the New York State commission, and the Governor of the State of New York, would be in the public interest and would avoid the expense incident to unnecessary duplication of statistical and other data: Now, therefore, be it

Resolved, That the Federal Power Commission is authorized and directed to extend to the New York State commission and to the Governor of New York and their duly accredited representatives and agents, access to the exhibits, reports, and other documents secured in the course of its investigations and studies, the publication of which is not prohibited by law, and otherwise establish such cooperative contact as may be jointly advantageous to the inquiries which are being pursued by the aforesaid Federal commission, the Governor of New York, and the New York State commission.

The PRESIDENT pro tempore. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

The preamble as modified was agreed to.

NATIONAL BANK OF NEWBERRY, S. C.

Mr. BLEASE. Mr. President, some days ago I introduced a resolution requesting an examination of the national bank in

Newberry, S. C. I ask to have printed in the RECORD an editorial from a paper of that town, and ask that it be referred to the same committee to which the resolution was referred.

The PRESIDENT pro tempore. Without objection, the editorial will be printed in the RECORD and referred to the Committee on the Judiciary.

The editorial is as follows:

[From the Herald and News, Newberry, S. C., October 22, 1929]

MR. POLE'S ADMISSION

The letter of J. W. Pole, comptroller of the currency, to Senator COLE L. BLEASE about the closing of the National Bank of Newberry is interesting and informing. Mr. BLEASE asked the comptroller why the bank was allowed to remain open after it had become insolvent, and Mr. Pole replied that the bank was permitted to continue functioning although he knew it was in "very bad condition" because the bulk of its loans were secured by real estate, the value of which to the bank he feared would be diminished by the bank's closing.

Mr. Pole virtually admitted the truth of reports that the bank was insolvent over a period of years and that he was advised to that extent of its condition. A bank whose affairs are in "very bad condition" could not be considered a safe bank, and an unsafe bank needs only official declaration to make it insolvent. This, it seems, as Senator BLEASE points out, Mr. Pole admitted in his reference to withdrawal of county funds. The Senator's statement that the comptroller, while trying to save the National, should have given some consideration to those who, not knowing of its precarious condition, continued to patronize it, is in harmony with much sentiment in this locality.

The last paragraph of Mr. BLEASE's second letter hints much. He says he "must believe" that the examiners "were either incompetent or swayed by some power to do great injustice to the depositors of this bank and the financial interests of the community in which it was located." Note the Senator's choice of words. He doesn't say he suspects or fears or thinks the examiners were incompetent or biased, but "must believe" they were. Mr. Pole said they were considered competent. If Mr. Pole's assumption is correct and Mr. BLEASE is not mistaken in his conviction, what power is this that "swayed" the examiners and why did its sponsors wish to hurt Newberry? Did it prevent their giving all the facts to Mr. Pole, their chief? Is this power menacing other national banks? Who are its sponsors and what is its purpose? Will the "future investigations" to which Mr. BLEASE refers expose it? Let us hope so, if it exists. It should be tracked down and exterminated.

But was Mr. Pole's inaction justified in the light of what he knew? Most of those who lost by the bank's failure would probably answer in the negative. There is merit in the reasons advanced by Mr. Pole for this inaction. Much of the bank's doubtful security would become worthless with its closing. This consisted largely of real-estate mortgages and since the bank had so much paper of this kind and since officials and directors of the bank insisted it had value, Mr. Pole probably concluded that it would be better to let the bank run on in the hopes of realizing on this paper even if there was a certainty that during the period of grace losses would be increased in the event that the bank succumbed than to close it up when its weakness was first made known to him. Developments have proved that he erred if he reasoned in this manner and that in trying to avert a calamity he, or some one, but delayed and magnified it. The statement by the comptroller that his office did all in its power to avert the failure of the National seems to bear out the foregoing conjecture. Mr. BLEASE's complaint seems to be that the comptroller was more intent on saving the bank than he was in safeguarding the interests of its clients. Manifestly he believes the interests of the two were not identical, a distinction which Mr. Pole apparently did not grasp.

EXECUTIVE MESSAGE

A message, in writing, was communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. The pending question is on agreeing to the amendment proposed by the committee on page 18, line 16. The Senator from Utah is recognized.

Mr. SMOOT. Mr. President, I rose merely to ask that we proceed now with the pending amendment; and the Chair has already stated it.

Mr. GEORGE. Mr. President, yesterday when paragraph 31 was reached I asked that the first Senate committee amendment—that is, the amendment striking out the words "cellulose acetate rayon waste and other cellulose acetate wastes" and

substituting therefor "waste wholly or in chief value of cellulose acetate," go over.

I made that request because I had the impression that the chief use of cellulose acetate or waste wholly or in chief value of cellulose acetate in this country was in the textile industry; but upon refreshing my recollection from notes and examinations made when the subcommittee on textiles had under consideration rayon, I find that that is not true.

I therefore withdraw the request to have the amendment passed over; and, so far as I am concerned, this amendment may be agreed to.

Mr. SMOOT. Then I ask now that the Senate agree to the amendment.

The PRESIDENT pro tempore. Is there objection to recurring to the amendment on page 17, line 22? The Chair hears none. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDENT pro tempore. The question now is on the amendment on page 18, line 16, which will be stated.

The CHIEF CLERK. On page 18, line 16, before the words "per pound," strike out "45 cents" and insert "50 cents," so as to read:

(1) In blocks, sheets, rods, tubes, powder, flakes, briquets, or other forms, whether or not colloided, not made into finished or partly finished articles, 40 cents per pound, except that transparent sheets more than three one-thousandths of 1 inch and not more than thirty-two one-thousandths of 1 inch in thickness shall be subject to duty at the rate of 50 cents per pound.

Mr. EDGE. Mr. President, when the Senate recessed last evening there was up for discussion page 18, subparagraph (1), of paragraph 31, dealing with cellulose compounds.

Subparagraph (1) provides an increase in duty from the House provision of 45 cents per pound to 50 cents per pound on certain types of this material when in the form of transparent sheets more than three one-thousandths of 1 inch and not more than thirty-two one-thousandths of 1 inch in thickness.

When the suggested increase of 5 cents per pound was before the Senate last evening, it was stated by the chairman of the Committee on Finance that an investigation had been made by representatives of the Tariff Commission in order to secure the cost facts surrounding this commodity; and the figures, as I recall, were placed in the RECORD at that time.

I do not consider this particular item of extreme importance, so far as the item in itself is concerned, or the rather slight increase of 5 cents per pound; but it occurs to me that the apparent drive against any increase in an industrial rate is of great importance, and it might be just as well to discuss briefly that phase of the situation with this item before us.

I agree absolutely with the Republican platform, which I will not repeat, which in no uncertain language charges this Congress with giving consideration to industrial conditions and pledges that where help or remedy, so far as it can be granted through tariff, are justified, it shall be given. Neither do I consider the proclamation or speeches of the President, so often referred to, as in any way altering that direct responsibility of this Congress.

Again, this particular paragraph certainly comes within the category of what might be properly termed infant industries.

Mr. SIMMONS. Mr. President, I do not interrupt the Senator in any spirit of controversy, but simply because I should like to understand clearly what is the attitude of the representatives of the other side of this body with reference to the character of this tariff revision.

I agree entirely with the Senator from New Jersey that the President could not bind the Congress to any limitation in its action upon this matter. I agree with the Senator that if we decide at this time to enter upon a general revision of the tariff, notwithstanding the effort of the President to restrict us to a limited revision, we will be altogether within our rights; but what I should like to know is whether the proponents of the increases in this bill propose to defend them upon the ground that the Republican Party has promised a general revision of the tariff, or do they propose to defend them upon the ground that the industry is depressed by undue foreign competition?

If they are to be defended upon the former ground, then we may understand that we are now engaged in a general revision; but if they are to be defended upon the ground that they come within the rule laid down by the President in the definition heretofore given of what he meant by a limited revision, we should confine ourselves to a consideration of increases only in case it is shown there is depression in an industry because of foreign competition.

I should like to get the idea of the other side about that matter. I want to know whether we are engaged in a general revision or whether we are engaged in a limited revision. If that is made clear to me, this controversy probably can be somewhat shortened.

Mr. EDGE. Mr. President, I am afraid it never can be made clear from the angle of the Senator's apparent desire; but so far as my expressions already made are concerned, they are based entirely upon this paragraph of the Republican national platform:

However, we realize that there are certain industries which can not now successfully compete with foreign producers because of the lower foreign wages and a lower cost of living abroad, and we pledge—

No uncertainty as to that word—

the next Republican Congress to an examination—

That examination has been made by the Finance Committee—and where necessary a revision of these schedules to the end that American labor in these industries may again command the home market, may maintain its standard of living, and may count upon steady employment in its accustomed field.

Mr. President, the Finance Committee held exhaustive hearings.

Mr. SIMMONS. Mr. President—

Mr. EDGE. If the Senator will permit me to finish my statement, then I will be glad to further yield to the Senator.

Mr. SIMMONS. I was just going to ask the Senator one question about that declaration in the platform.

Mr. EDGE. I yield to the Senator.

Mr. SIMMONS. Does the Senator construe that declaration as applying to Congress in regular session, or does he construe it as also applying to Congress when in extraordinary session for a particular or specified purpose?

Mr. EDGE. I construe that pledge to mean that when Congress is considering the question of tariff in any phase, and the Finance Committee by a vote of the Senate was instructed to listen to the pleas of representatives of all activities, all classes of industry, that when it is thus disclosed a change in existing rates is necessary or justified, be it agriculture or industry, it is the duty of this Congress—the first Congress that has that opportunity—to try to furnish the remedy.

Mr. SIMMONS. Then, Mr. President, I wish the indulgence of the Senator to say that if he is correct, the proponents of the bill recognize no limitations in the present revision.

Mr. EDGE. The Senator may reach his own conclusions as he will. I should like to continue with my argument on the paragraph before the Senate.

Mr. SIMMONS. If the Senator will pardon me just one word; of course, if that declaration of the Republican platform applies to an extraordinary session the Senator is probably correct, but I had not thought it did.

Mr. HARRISON. Mr. President, will the Senator yield for a question?

Mr. EDGE. I yield for a question; but I desire to discuss, if I may be permitted, the item before us, and not enter into a general discussion.

Mr. HARRISON. It would seem to me that the thing that would reflect the picture better than anything else would be the production—the exports and the imports. Will the Senator give us the production of pyroxylin of all kinds, and then the exportations?

Mr. EDGE. I will cover that, I think, to the Senator's satisfaction, before I conclude.

Mr. HARRISON. May I ask if my figures are correct on that point—that the production is 17,300,000 pounds, and that the imports are only 121,000 pounds?

Mr. EDGE. No; I think the Senator's figures are entirely incorrect.

Mr. HARRISON. And that the exports are 3,127,000 pounds?

Mr. EDGE. According to my information, the Senator's figures are incorrect; and, if the Senator will permit me, I will reach that very point, and give him what I have every reason to believe are the correct figures.

Mr. HARRISON. These figures, I may say, came from one of the economists of the Tariff Commission.

Mr. EDGE. I think those figures are inclusive of other commodities. I propose discussing alone the commodity in paragraph 1, celluloid which is used in windshields for automobiles; and in the case of that particular commodity I will read the figures, if I may be permitted to do so, in a few moments.

Mr. President, when the general discussion of tariff revision interrupted, I was about to present the situation relating alone to the paragraph before the Senate.

The Tariff Commission made an investigation of the cost of production of this particular commodity in the three or four plants existing in the United States. I think I had stated that this certainly could be considered an infant industry. The preparation and manufacture of this particular commodity has been in progress for less than three years.

As long as the question of the importations has been brought up, I will refer to that at once. The domestic production in 1929, based on the rate of output in September, is estimated at 1,500,000 pounds, the imports at 800,000 pounds; in other words, the imports represent a little more than 50 per cent of the entire production. Certainly that item can not be classified among those we have heard so much about in the last few days where the imports were negligible. The imports in this case are over 50 per cent.

The cost of producing the celluloid used in these windshields was ascertained, may I call to the attention of the Senator from Wisconsin, by two men sent out from the Tariff Commission who personally visited these different factories, who had access to the cost books and records of the manufacturing plants, and computed their own figures from those costs. The result of this investigation demonstrated that the cost of the domestic celluloid used in this process, without adding anything for profit, was an average of \$1.20 per pound. That is the cost in the factory.

The German comparable article is now used throughout this country in windshields, I think, by the Ford Co. and others, though I will not attempt to go into that, because I have not investigated it sufficiently. The invoice price of the German product landed in New York is 65 cents per pound. The difference between 65 cents per pound and \$1.20 per pound is, clearly, 55 cents.

The Senate Finance Committee proposes, as protection, representing less than the difference between the production costs at home and abroad, 50 cents, thus leaving a margin of 5 cents in excess of the actual differential.

Mr. President, the Senator from Wisconsin—and I am not criticizing him at all—when it was suggested that this cost record had been secured by representatives of the Tariff Commission, last evening stated:

I understand that; but, with all due respect to the investigations which have been made—and I am not criticizing them—nevertheless, these rush investigations which have been made in conjunction with the preparation of this bill, and to meet the situation presented by the passage of the bill, are not investigations of the thorough nature and character and are not as final as they would be if they were properly conducted investigations by the commission, where all of the time necessary to arrive at the complete data would be afforded.

That is a very mild criticism, but, nevertheless, this investigation was made in the way I have indicated. I do not know how it could have been any more thorough if a year or more had been consumed in the inquiry. The representatives of the commission presented these facts to the committee, and they have already been presented in more detail by the chairman of the committee to the Senate.

Mr. LA FOLLETTE. Mr. President, will the Senator yield?

Mr. EDGE. In just a moment. I think it is only fair that the Senate should accept these figures. If the Senator from Wisconsin or any other Senator can dispute the figures and give any to establish the incorrectness of those I have given, then that testimony should, of course, be presented to the Senate, but just the general observation that because the investigation was necessarily more or less hurriedly made it could not be relied upon does appeal to me as not being entirely fair, under the conditions.

I yield to the Senator from Wisconsin.

Mr. LA FOLLETTE. Mr. President, the observation which I made in connection with this investigation applies to other statements which have been made on the floor since these rates came before us. Senators rise on the floor and say that these are investigations, and figures from those investigations, conducted by the Tariff Commission. The point which I attempted to make last night—I may not have made it clear—was this, that there is a distinction, and a very clear distinction, between a thoroughgoing investigation ordered by the Tariff Commission, and its result finally approved by the commission, which has behind it, therefore, the authority of the commission itself, and the type of investigation from which the Senator and other Senators have been quoting, namely, an investigation made by one of the chiefs of division merely for the purpose of gathering such information as could be easily gathered and made ready for the use of the Senate and the House in conjunction with the consideration of this measure.

As I stated last evening, I made no criticism of the use of those preliminary investigations; but I do think that when

Senators quote from the reports of such investigations it should be borne in mind that they were not investigations which had the authority of the commission behind them. The results of those investigations have not been passed upon and approved by the commission.

Mr. EDGE. Mr. President, I was very careful not to misquote the Senator; in fact, I read his statement, as he knows. I am further informed the investigation was ordered in the usual way by the commission. But, of course, there has not been time to have the data correlated and published in a book, such as we have before us relating to past investigations.

Mr. LA FOLLETTE. No; if the Senator will yield further, it has not been passed upon by the commission itself.

Mr. EDGE. I think that is correct.

Mr. KING. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. KING. I understood the Senator to say that these facts, if there are any facts in the statement—and I have some doubt about that—were submitted to the Finance Committee. They were not submitted, as I recall the testimony to the Finance Committee, when the Democrats had a chance to participate in the hearings, and I know of no investigation that has been made in regard to the costs of this particular item. If there has been an investigation ordered by the Tariff Commission and a report thereon has been filed, I would like to see it. It has not been brought to the attention of the Finance Committee, of which I am a member. I am not questioning the integrity of the Senator, of course; but I am not accepting these statements that may come ex parte from some expert of the Tariff Commission. I want the facts, and I want to know they are accurate, and I want to see the report.

Mr. EDGE. Mr. President, as I have already stated, of course any Senator has a perfect right to dispute these figures. Personally I have absolute confidence in their accuracy. I have endeavored to advise the Senate that representatives of the commission personally visited the factories, had access to the records, took advantage of that privilege in order to secure accurate cost figures. With these facts before us it does seem to me going just a little bit beyond the pale of fairness to say that just because time would not permit, because this is a new industry, because the competition has been limited within a very short space of time, and the investigation could not be handled as have been inquiries into some other commodities, and we are trying to protect it by a slight raise, that there should be a blanket charge that the information is incorrect and unreliable. Senators can draw their own conclusions as to the justification of that general blanket charge.

Mr. HARRISON and Mr. LA FOLLETTE addressed the Chair.

The PRESIDENT pro tempore. Does the Senator from New Jersey yield; and if so, to whom?

Mr. EDGE. I yield to the Senator from Mississippi.

Mr. HARRISON. Without challenging the correctness of the Senator's assertions, because evidently the information he gives the Senate came from either one of the chiefs of bureau of the Tariff Commission, it is very material and vital when the Senator, a member of the Finance Committee, states that this is a report of an investigation of the commission, to ask, Was this investigation ordered orally by some member of the commission to the chief, or was the order in writing?

Mr. EDGE. My information is that it was authorized by the commission in the regular way, as I have already stated, and two men were sent out into the field. I have no information as to whether it was originated by the Ways and Means Committee. My understanding is that it took place prior to the Senate hearings, however.

Mr. HARRISON. Will not the Senator give to us, if it is procurable, if there is any order upon the part of the commission—and I imagine that they keep minutes up there—or some written data of the ordering of this investigation as to this particular item?

Mr. EDGE. I will secure that if it is procurable.

Mr. HARRISON. I do not challenge the Senator's statement at all, but it is easy enough to go out in an ex parte way and get some information, and bring it in to bolster up some particular industry, when the inquiry is not, as a matter of fact, an investigation at all. We might as well settle this thing in the beginning of the discussion of the rate making, and ascertain now as to whether or not we are going to accept that kind of information without the conclusive evidence.

Mr. EDGE. May I ask the Senator a question? Is the Senator prepared to accept as conclusive all the information in the Tariff Summary that has been compiled through the general and regular methods?

Mr. HARRISON. Oh, no; but the Tariff Commission makes a summary of its report following an investigation. Sometimes

it is unanimous, sometimes it is upon a division; but because some chief of some particular division down there sends out a few letters in an endeavor to find out about some fact, and the report is brought in here without giving other interests an opportunity to say whether or not it is correct, to me is not conclusive at all.

Mr. EDGE. Mr. President, it would seem, then, from the Senator's statement that he refuses to accept all of the reports of the commission as regularly published; that it altogether depends on just what the report says. I notice the great avidity with which Senators, on the other side particularly, pore over the tariff information, and when they find "imports negligible" they accept that statement at once; there can not be any question about it. If they find "exports large," that statement is accepted at once; there can not be any question about it. But whenever we get something that does not just fit their conception of a condition, then there is some question raised as to the accuracy of the information.

Mr. HARRISON. Mr. President, I will say to the Senator quite frankly that it depends a good deal, in my own case, in forming my own opinion, as to who made the investigation, as to what particular commissioner said this or that, and so on. For instance, if Mr. Burgess were on the commission, and said something to me, knowing what has been disclosed by the lobby committee, that he is a tool of certain interests, that he is being paid by certain interests to come here and lobby, and so on, it would have little or no effect upon me. If a report of a man like the one who has charge of the earthenware-pottery schedule, for instance, should make a statement, I would think it was pretty nearly correct, because I think he is honest, he is square, he is unmoved and uninfluenced by Burgess and his crowd, who are seeking to corrupt the Tariff Commission.

Mr. EDGE. Mr. President, as far as I am concerned, I am perfectly ready to accept the Tariff Commission as a body, as an organization, and will not attempt to criticize any individual members. In fact, one of the experts of the commission, Mr. Koch, representing the earthenware industry, happened to be assigned to the subcommittee of which I was chairman. I have seen by the reports of the lobby investigation that Mr. Koch was under criticism by some of the gentlemen frequently referred to by the Senator from Mississippi.

So far as I was concerned I personally commended Mr. Koch for what I considered his very fair presentation of all the matters that were asked for by the subcommittee, and that fact I think came out before the so-called lobby investigation committee.

Mr. LA FOLLETTE and Mr. CARAWAY addressed the Chair. The PRESIDENT pro tempore. Does the Senator from New Jersey yield; and if so, to whom?

Mr. EDGE. The Senator from Wisconsin has been on his feet several moments. I yield to him.

Mr. LA FOLLETTE. I merely wish to make my own views clear since the Senator has referred to a remark I made on yesterday.

There are two kinds of reports. One is the report which goes through the regular routine procedure, is thorough in character, and the conclusions finally are passed upon by the commission itself, and the commission itself takes responsibility for the thoroughness and the accuracy of the results of the investigation and the conclusions which it draws therefrom.

Mr. EDGE. Will the Senator accept those conclusions?

Mr. LA FOLLETTE. The second type of investigation is one to which I referred yesterday and to which I am going to refer again this morning. That is the preliminary investigation which is not concluded and which therefore is not conclusive and does not have behind it the responsibility of the commission itself for the result of the findings. I make no criticism of the use of those preliminary investigations, but I do think that Senators when they make use of them should distinguish them from the report which has been thoroughly investigated, and that a statement should be made that it is a preliminary investigation, that it is not complete, and that it does not carry the authority and the responsibility of the commission behind the findings.

Mr. EDGE. If the Senator followed the statement I made in this connection he must admit that I made that very careful distinction, stating just how it was secured.

Mr. LA FOLLETTE. I understand.

Mr. EDGE. May I ask the Senator practically the same question I asked the Senator from Mississippi? He has commented in a general way and in rather specific terms on the accuracy of the reports of the commission where they have come through the usual channels and have been passed upon finally by the commission itself. Is the Senator prepared to

accept, as we go through the bill and consider the various rates, the reports as they appear in the Summary of Tariff Information?

Mr. LA FOLLETTE. So far as I am personally concerned, I am willing to accept them unless there is evidence presented to indicate that they are inaccurate. In such study as I have been able to make of the bill I have relied upon the Summary of Tariff Information as being the only source of information available which, generally speaking, could be considered to be of an impartial nature. If a Senator comes forward with evidence that the information in the Summary of Tariff Information is incorrect, I certainly am not going to accept the Summary of Tariff Information as the last word.

Mr. EDGE. Not at all.

Mr. LA FOLLETTE. But, generally speaking, I have made such study as I could of the bill with the Summary of Tariff Information as the chief source of my information.

Mr. EDGE. I agree with the Senator, and along the same process of reasoning I have propounded the question and suggested several times that if any Senator had any information that would successfully dispute the figures which have been obtained in the way that has already been carefully described relating to the paragraph before the Senate, of course it should be given to the Senate.

Mr. CARAWAY. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Jersey yield to the Senator from Arkansas?

Mr. EDGE. I yield.

Mr. CARAWAY. I understood the Senator to say that he thought the tariff expert, Mr. Koch, was entirely fair.

Mr. EDGE. I made that statement.

Mr. CARAWAY. I am glad to hear the Senator make it, because William Burgess under oath said the Senator joined with him in criticizing Mr. Koch.

Mr. EDGE. I tried to indicate that I wanted to give Mr. Koch that approval in spite of that fact.

Mr. CARAWAY. In spite of what Mr. Burgess said?

Mr. EDGE. I do not know who said it or did not say it. I am discussing Mr. Koch in the attitude of my own experience and opinion of him.

Mr. CARAWAY. I wanted to be certain about it, because Mr. Burgess swore the other way.

Mr. SMOOT. Mr. President, will the Senator yield to me?

Mr. EDGE. I am anxious to get through, but I am glad to yield to the Senator from Utah.

Mr. SMOOT. Last November the Tariff Commission authorized an expert from the chemical division and an expert from the sundries division to make this examination upon the question now before the Senate. That examination was thoroughly made. It was reported, and the figures which I quoted yesterday were quoted from that report. It was not made under any order by virtue of section 315. It was a direct order. If the Senate wants the letter of authorization I will have it here in half an hour and will read it to the Senate so it may appear in the Record.

Mr. EDGE. Mr. President, I shall conclude if I may be permitted to do so. I know other Senators desire to discuss the subject. I can not, however, leave the phase of it we have been discussing in this rather rapid-fire debate without referring to the action of the Senate on casein yesterday. I simply bring that up in its relationship to the thought that I presented at the outset.

It seems to me, just as the Senator from California [Mr. SHORTRIDGE] so ably expressed yesterday or the day before, that we should approach the great responsibility of considering the increasing or lowering of rates in the tariff bill entirely from the standpoint of facts, whether the rates are agricultural or industrial. So far as I am concerned, I am endeavoring to do it. It was with great pleasure that I acquiesced in the suggestion of the Senator from Wisconsin [Mr. BLAINE] when he demonstrated, in my judgment, that a differential of 5 cents was entirely justified. So far as I am concerned, I did not complain when the Senator from Idaho [Mr. BORAH] put on another half cent for good measure.

Nevertheless, information from the Tariff Commission upon that particular schedule was absolutely indefinite. They admitted their inability to secure the facts, but we accepted the statement as presented by the Senator from Wisconsin [Mr. BLAINE]—at least a large majority of the Senate did. I think the same spirit should exist and prevail in the consideration of the industrial schedules. Where information is secured and can not be and is not successfully disputed, it should, in all fairness, be accepted by the Senate. If it can be successfully disputed, then, of course, we want to hear that evidence and have that information.

I stated at the outset that this particular item is not in itself very important. The additional 5 cents per pound would come somewhere near the differential, as has already been indicated by the figures, and would result, so far as the American consumer is concerned, in added cost of less than 5 cents per windshield. The weight of the material, the amount used in the ordinary windshields, is less than 1 pound; to be accurate, I think the figures are 0.66 of 1 pound, or practically two-thirds of a pound. In other words, this additional protection, in order to give employment to American workmen rather than workmen in Germany, might cost, if the added duty were added to the price, 3½ cents per windshield. I repeat, certainly it is not important from the standpoint of the citizen and we should not perhaps have consumed the time which has been taken, but from the standpoint of principle, if we believe in a protective tariff, it is an item upon which the discussion could properly be made.

Mr. WALSH of Massachusetts obtained the floor.

Mr. KING. Mr. President, will the Senator from Massachusetts yield to me in order to enable me to ask the Senator from South Dakota [Mr. NORBECK] a question?

Mr. WALSH of Massachusetts. Very well; I yield.

BUSINESS BEFORE BANKING AND CURRENCY COMMITTEE

Mr. KING. Mr. President, may I have the attention of the chairman of the Committee on Banking and Currency [Mr. NORBECK]?

The PRESIDING OFFICER (Mr. Fess in the chair). The attention of the Senator from South Dakota is requested.

Mr. NORBECK. Very well.

Mr. KING. I would like to ask the chairman of the Committee on Banking and Currency if that committee will meet before the regular session for the consideration of measures now before it or for the initiation of legislation which it may deem needed in view of the great crash in Wall Street yesterday, which so seriously affected thousands and hundreds of thousands of American citizens and resulted in stupendous losses?

Mr. NORBECK. Mr. President, the Senator from Utah is familiar with the situation. I presume he has reference especially to the resolution of investigation introduced by himself last June. I can inform him that the Committee on Banking and Currency met shortly afterwards to consider the resolution. The sentiment expressed in the committee was that a majority were averse to taking it up at that time, saying that the Senate would not consider it and the House was not organized, so it would be futile. But a majority of the members of the committee rather indicated that they would be favorable to taking up the resolution when other matters were disposed of so that they could get to it.

As chairman of the committee and looking with favor upon the resolution, and especially upon some parts of it, I thought it the part of wisdom to delay action until such time as a majority of the committee felt that it was proper to take it up and when it could be given consideration by the Senate and the House.

Mr. KING. Does the Senator contemplate calling the committee together before the regular session?

Mr. NORBECK. That is a question which it is difficult to answer. The Senator knows that when we meet at 10 o'clock in the morning and remain in session until 6 o'clock in the evening we can not get any large committee together for the serious consideration of any important matter. An emergency situation may develop that will call for it, but simply for the purpose of considering the proposed investigation I doubt if the committee will be called together in the near future. It all depends upon what may happen in New York, and we can not tell which day it may happen. There may be such a public interest in the subject that such action may become necessary.

The event which took place in New York City yesterday is not a new thing. More than a year ago the Senator from Wisconsin [Mr. LA FOLLETTE] introduced a resolution mild in form looking toward checking such raids. It simply requested the Federal Reserve Board to admonish the banks not to encourage such a movement. In the committee there was a wide difference of opinion. The Committee on Banking and Currency is so conservative that a great many members voted against reporting out even that mild resolution. We had it on the calendar for weeks and months and we never could get consideration of it because a majority was opposed to doing anything of the kind.

Mr. KING. Two years ago I offered a resolution not quite so broad in scope as the one to which the Senator refers and which is now pending before the Committee on Banking and Currency. I also offered two or more measures which I think, if they had been adopted, would have prevented the catastrophic decline of values, or at least it would have prevented the great inflation which, in my opinion, has been so disastrous.

I offered the resolution many months ago to which the Senator refers. I believe a comprehensive investigation of our banking system and all cognate matters would be of very great advantage. We are now confronted in an acute way with the question of branch banking and the merger of banks in all parts of the United States. The concentration and merging movements are going forward with increased momentum and it looks as though it will be only a short time when substantially all of the credits of the country will be massed in the hands of a limited number of banks or banking institutions that will be controlled by a limited number of men.

I am not sure just what legislation is needed or what can be done to cure the evil to which the Senator has referred. I know that the inflationary process has gone on for years, that hundreds of millions of dollars in stock issues have been put upon the market, and high-powered salesmen have promoted the sale of the stocks, and, in many instances, have been parties to unloading them upon the public. By almost criminal advertising, by methods that are quite reprehensible, the stock issues have been put into circulation with high prestige behind them too often, and the public have been the purchasers and are now the victims. It does seem to me that the Banking and Currency Committee, in view of the situation ought to meet and ought to appoint a subcommittee, if the full committee can not act, to study this question, with a view of recommending such legislation as it may deem proper to remedy the evils which exist and to amend the laws in a number of particulars.

Of course, I can not make any complaint, because the Senate is in session, working many, many hours. We are anxious to get the tariff bill passed—that is, to get it out of the way—as soon as possible. I do not blame Senators for failing to assume other duties and responsibilities, but it did occur to me that if the committee would meet and appoint a subcommittee they could provide the outline for the investigation to be made in December, and in the meantime, because they will need experts to aid them, those experts could assemble data, could study the question and be ready to present to the committee when it meets in December such data and such facts as might be deemed pertinent to the investigation.

I can only express the hope that members of the committee, in view of the situation, in view of the public interest in the matter, will call a meeting and take up some measure—I am not particular whether the measure which I have offered shall be taken up—or take some steps that will result in a thorough study of the situation with a view to remedial legislation.

EXECUTIVE MESSAGES

Sundry messages in writing were communicated to the Senate from the President of the United States by Mr. Latta, one of his secretaries.

REVISION OF THE TARIFF

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2687) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes.

The VICE PRESIDENT. The pending amendment will be stated.

The CHIEF CLERK. On page 18, in paragraph 31, line 16, after the words "rate of," it is proposed to strike out "45 cents" and insert "50 cents," so as to read:

(1) In block, sheets, rods, tubes, powder, flakes, briquets, or other forms, whether or not colloidized, not made into finished or partly finished articles, 40 cents per pound, except that transparent sheets more than three one-thousandths of 1 inch and not more than thirty-two one-thousandths of 1 inch in thickness shall be subject to duty at the rate of 50 cents per pound.

Mr. WALSH of Massachusetts. Mr. President, I propose, during the consideration of this bill, to vote for increased duties only when a case for protection is shown. I believe the present duties, levied under the Fordney-McCumber law, are, by and large, sufficient, and that the industries that need additional protection because of threatened injury from importations, are limited in number.

This statement is explanatory to the announcement that I intend to vote for the increased duties recommended by the committee amendment upon the product now being discussed, and I intend now to give my reasons for doing so.

First of all, a distinction should be made by Senators between ordinary celluloid sheets and transparent celluloid sheets. I hold in my hand [exhibiting] a piece of safety glass in which is a transparent celluloid sheet. Any Senator looking at the glass sidewise can see the insertion. I hold in my hand now [exhibiting] a piece of safety glass that has been put to the severest

test by being shot at; Senators can see that this glass is non-shatterable.

Mr. President, the committee amendment, setting aside technical terms, seeks to increase the present protective duty upon sheets of celluloid that are transparent from 45 cents per pound, the House rate, to 50 cents per pound. All celluloid sheets of whatever character under present law bear a duty of 40 cents per pound and have had that duty since 1922. This rate was fixed before transparent sheets were invented.

The pyroxylin industry, producing what is known as cellulose sheets, has been in existence since 1870. An expansion of the business came in 1900 and a still greater one during and after the war, though following the war a contraction ensued. Before 1900 the principal products of this industry were billiard balls, celluloid collars, combs, and so-called ivory brushes. Since 1900 the celluloid-collar business has collapsed and the expansion has been along the line of artificial ivory goods, such as backs for brushes, frames for mirrors, toilet articles of all kinds, combs, and a certain limited production of transparent sheets for open-body automobiles. At the present time celluloid sheets are used for making the above-mentioned fabricated products, and also a considerable variety of toys. The domestic celluloid-toy business, which formerly was stifled by German imports, was developed during the war. Since the war Japan has become the chief foreign competitor in this line of goods.

Until within the last two years it was not possible to develop a transparent sheet of cellulose of a quality that would be suitable for the purpose of making safety glass. Such sheets as were manufactured prior to two years ago lacked transparency and clearness and would not withstand the sun's rays without becoming discolored. Also they were subject, more or less, to brittleness and would not make a perfect weld with glass to form a sheet of transparent and nonshatterable glass. To-day, by reason of inventions, the industry is capable of producing a transparent celluloid sheet that has the necessary clearness, does not become brittle or discolor by reason of weather exposure, and can be successfully laminated with glass so as to make glass really nonshatterable.

Germany has likewise developed a transparent celluloid sheet suitable for these purposes and is exporting extensively to this country in competition with the recently started domestic industry. The current statistics of imports indicate that Germany is supplying us at the rate of 800,000 pounds a year, which represents about 53 per cent of the domestic production, which is approximately one and one-half million pounds.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from New York?

Mr. WALSH of Massachusetts. If the Senator will pardon me, I wish he would wait until I finish and then I would be very happy to yield. I want to develop my argument, as the facts appear to me, without interruption.

What is the tariff question here involved? What reasons can be advanced as to why a different duty should be levied upon transparent celluloid sheets from the ordinary sheets which have not heretofore been suitable for safety glass purposes? In other words, what additional raw products and labor are necessary to produce the delicate transparent celluloid sheet that is not used in making toys, toilet articles, and other commodities?

First. Raw materials used in the manufacture of transparent sheets have to be specially selected and of a finer quality. The cotton has to be purified and bleached several times.

Second. The nitric and sulphuric acids have to be purified, cleared, and strained, so as to remove the imperfections.

Third. The water used must be put through special apparatus for purifying.

Fourth. As the sheets pass through the machines, there has to be a minute inspection of every process. It is estimated that additional labor costs are one-third more than that used on the ordinary celluloid sheets. In making of the ordinary celluloid sheets, labor is about 25 per cent of the cost.

Fifth. Special machines have been designed for this class of work in distinction from the plain celluloid sheets to some extent.

Sixth. For transportation purposes it must be specially packed to prevent scratching.

It seems to me that these factors make out a case for some increase in the present rate over that given to plain celluloid sheets.

To what extent is this industry in the class of so-called infant industries?

Transparent celluloid sheets for use in the making of safety glass have been commercially produced for about two years. Heretofore, it has been developed in connection with the cellu-

laid sheets which were not suitable for glass purposes. It now, by reason of the large demand from automobile manufacturers, is becoming a separate industry. In fact, in my own State a separate plant, representing a total investment of one and one-half million dollars, is being erected solely for this purpose. That this new product is meeting with competition from the German-made product can not be disputed. The facts show that imports from Germany are underselling the domestic product in the domestic market. Representatives of the Tariff Commission have investigated the domestic costs of production of celluloid sheets, and they have found as a fact that a pound of these sheets costs at least \$1.10 per pound, and some as high as \$1.15. We know as a fact that German transparent celluloid sheets, actually as good as the domestic product, are imported at 65 cents per pound, on which a duty of 40 cents is collected. The selling price of the domestic product, the cost being between \$1.10 and \$1.15, is, at the lowest, about \$1.20. It is apparent that this infant industry here and also in Germany is engaged in a struggle to control the market. Japan is likely to become a serious competitor and she is making further progress in the manufacture of transparent celluloid sheets. In view of these facts, I can not but reach the conclusion but that a valid case has been made out for increased protection with respect to transparent celluloid sheets. No increased protection is sought, or granted by the bill, to ordinary celluloid sheets.

The question is, Do we want to develop this industry here in America? Surely it is worthy of development somewhere. No one can foresee how much these sheets may be used in the future in the manufacture of safety glass and how important they will become to the American automobile industry. Most automobile manufacturers thus far have used this product only in windshields, although a few have used it in all parts of the glazing of the car. It is likely to become the standard glass for use for all glazing of all automobiles. It is certain to be put in use on all busses, street railway and railroad cars, bank windows, portholes of vessels—to which particular use it is already being put at present in the Navy—and for airplanes.

It seems to me that another fact to be emphasized in connection with efforts to maintain and extend this domestic industry is the benefit it will confer upon other industries of this country that produce the raw materials used in the making of transparent celluloid sheets, which includes the following commodities:

First, cotton. For every additional pound of transparent celluloid sheets produced in this country an additional four-tenths, or nearly one-half of 1 pound, of cotton will be used.

Mr. SMOOT. Mr. President—

Mr. WALSH of Massachusetts. I know what the Senator is going to remind me. He is going to remind me that in Germany cotton is not used, but pulp is used.

Mr. SMOOT. Not only that, but I wanted to say that the cotton used is the linters—the poorest cotton, the cotton for which there is the least demand.

Mr. WALSH of Massachusetts. Yes; the poorest cotton.

Now, just think of that! One-third of this business now is from Germany. Two-thirds is here. If that were all, if the industry were not going to expand, I should say, let us go along as we have been going; but if this business is to expand, as I believe it is and as it seems reasonable to expect, I want a large percentage of that expansion here in America, rather than in Germany or in any other foreign country.

I spoke about cotton. The second commodity that is used is alcohol. Large quantities of alcohol are being used, all of which can be produced in America.

Third. Nitric and sulphuric acids are used in making this product.

Fourth, camphor. There are at present two sources of supply for camphor. Japan controls the natural supply of camphor, and Germany controls the synthetic supply. Synthetic camphor is made from turpentine. Developments are being made to utilize a large portion of the turpentine produced from pine trees in the South for the American manufacture of synthetic camphor. On the assumption that the entire amount of camphor will be made synthetically in this country, this would consume 1,900,000 gallons of turpentine, or 36,000 barrels of turpentine.

Mr. President, I have tried briefly and very directly to present this case to you as it appeals to me. I consider this industry clearly in the class of infant industries; that its possibilities of growth are tremendous; that we are confronted with the fact here that there is a rival, an active rival, and a rival that can produce cheaper and is producing cheaper; namely, Germany. I feel some responsibility in determining whether it is not essential to give this slight additional tariff protection in order that we may be sure of retaining the industry here.

Let me say one other thing: The makers of these ordinary celluloid sheets, I concede, are fairly prosperous. I concede that they have appeared to make a reasonable profit on the ordinary celluloid sheets. I think some figures in evidence here show that they made, for the five years prior to 1928, when a private survey was made, 4 or 5 per cent profit on the investment; but I do not concede that the fact that the plain celluloid-sheet industry is prosperous, or can be prosperous, ought to be considered in passing upon the question of whether a new industry, with new capital and a new product, needs protection or not, even though it is a branch of the ordinary celluloid-sheet industry.

In my opinion this industry will become a separate unit from the ordinary celluloid-sheet industry. It is being separated. New factories, for this purpose alone, are being built. The industry seeks to expand; and I think we ought to pass upon the merits of this question independently of any prejudice we may have against any one concern, like the Du Ponts, who may be successfully engaged in making ordinary celluloid sheets. The Du Ponts do not control this branch of the business. The fact is that it is a competitive industry. In my own State there are two establishments in competition with each other—one in Springfield and one at Leominster. These establishments are in sharp competition. There are at least five of these plants that are competing with each other at the present time, and there is every reason to expect that there will be a further growth and development of the industry.

Mr. BROOKHART. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Iowa?

Mr. WALSH of Massachusetts. I have finished all that I have to say; but I shall be glad to yield to the Senator.

Mr. BROOKHART. May I ask the Senator a question?

Mr. WALSH of Massachusetts. Certainly.

Mr. BROOKHART. Where are these industries located that are making 4 or 5 per cent?

Mr. WALSH of Massachusetts. I stated that the industries that were making ordinary celluloid sheets, with the many and varied commodities made of this material—the evidence is in the record—that for the 5-year period between 1922 and 1927 they averaged a profit of between 4 and 5 per cent on their investment.

Mr. BROOKHART. Does that include the big producers, the Du Ponts?

Mr. WALSH of Massachusetts. I think it includes all of them. The Du Ponts, of course, are the largest concern; but there are four other concerns besides the Du Ponts.

Mr. BROOKHART. I understood the chairman of the Finance Committee to say in the beginning that they did not consider the cost of production of the big mass producers. I wanted to know if that included the Du Ponts. Does the Senator know about that?

Mr. WALSH of Massachusetts. I think it does; yes. I understood it did include all of them.

Mr. BROOKHART. I will ask the chairman of the Finance Committee if that is the case here?

Mr. SMOOT. No; I made no such statement as that on celluloid.

Mr. BROOKHART. The estimate made does not include the profits or the cost of production of the Du Ponts?

Mr. SMOOT. The estimates that were made, that I quoted, were the estimates made in Germany as compared with the local price, and they are collected in the same way. I think the price that is reported in America takes into consideration the cost of the whole manufacturing industry—not one, but all of them.

Mr. BROOKHART. In the beginning of the discussion here, in response to an interrogatory by myself, the chairman said that the big mass producers were not considered in estimating the cost of production; that it was the ordinary efficient small producers.

Mr. SMOOT. I said to the Senator that they were not considered alone. All of the manufacturers are taken into consideration when the cost of production of an article in the United States is concerned.

Mr. BROOKHART. I understood the Senator, on the specific question, to say that the big mass producers were not considered at all, and that it was not the average of all; that they were left out.

Mr. SMOOT. Mr. President, as I remember, I made the statement that the costs of the mass producers were not taken as showing the cost of the article made in the United States; but, of course, the cost in the United States of any article is taken on the basis of the average cost here of the articles

produced in this country. Neither the low-cost nor the high-cost company is taken. That is never taken into consideration.

Mr. BROOKHART. But were they all averaged, the mass producers with the smaller ordinary producers?

Mr. SMOOT. That is generally done.

Mr. BROOKHART. Was that done in this case? Were the Du Ponts averaged in with the others?

Mr. SMOOT. I never even asked the question, but I can find out in a very few moments; but it would not surprise me if they were. I can not say.

Mr. BROOKHART. It is important to find out.

Mr. COPELAND. Mr. President, I should like to ask the Senator from Massachusetts, who has studied this question so thoroughly, one or two questions before I make some comments of my own about it.

Is this article now made in considerable quantities in the United States?

Mr. WALSH of Massachusetts. No; not when we consider the possibilities of its use. Only 1,500,000 pounds are produced in this country at the present time.

Mr. COPELAND. How long have the manufacturers of this country been making it?

Mr. WALSH of Massachusetts. Within two years. I understood that the experimental period was about 15 years; but safety glass has not been upon the market for only two years.

Mr. COPELAND. Is the American article equal in quality to the German product?

Mr. WALSH of Massachusetts. I understand that it is; and the German product is equal to the American product.

Mr. COPELAND. The quantity that has been made has found sale in our country?

Mr. WALSH of Massachusetts. Yes; but while I do not know whether it developed in evidence or not, the fact is that the Ford Co. requested bids from all the American producers and from the German producers, and the result of the bids showed that Germany underbid all American producers very substantially; and the Ford Co. gave all their contracts to various—not to one—various German producers. So, whenever any American automobile concern sees fit to submit to American and German producers requests for bids for its supply, it is safe to say that Germany will invariably outbid the American producers, although the fact is that the Ford Co. has used both American and German safety glass. But the American use is scattered at the present time, and the American users other than Ford of this safety glass have not seen fit to submit their contracts to international bidding.

Mr. COPELAND. Mr. President, I thank the Senator for yielding, and in my own time I desire to say a few words about this matter.

Mr. WALSH of Massachusetts. I yield the floor.

Mr. COPELAND. Mr. President, for many years one of my hobbies has been an eagerness to popularize the use of nonshatterable, nonbreakable glass. I will be forgiven, I am sure, if I speak of my experience as a physician and surgeon.

I want to recall to memory the Grand Central explosion. I have forgotten how long ago it was; it must have been 15 years. There was an explosion which destroyed the building, and among its other evil effects, it tipped over a street car that was passing the Grand Central Station.

The passengers in the car were projected through the broken windows. As Senators know, when a glass window breaks there are jagged edges, a hole in the middle, and the stiletto-like, daggerlike pieces of glass still cling to the frame.

As the passengers on the car were thrown through the windows, these jagged bits of glass found their way into their faces and scalps, and dozens of them were very seriously injured. I myself was in the operating room from 9 o'clock in the morning until 5 o'clock in the afternoon, removing bits of glass from the faces and heads of persons who had been injured. I had occasion, too, to remove several eyes injured in that way.

If I had my way—and I have said this for a long, long time—I would require by law that the windows of every vehicle operated for hire should be made of nonbreakable glass. You would take the same view if you had seen as many ruined eyes as I have, eyes cut and eyesight destroyed by shattered glass.

I have been aware for some years of the developments in the field discussed so ably this morning by the Senator from Massachusetts [Mr. WALSH]. I know what has been done in the development of this glass. But I want to say this to the Senator, that we have here a question that is far more important than any economic question. We have involved in this the question of life and limb, and I could not in conscience vote for any tax which would lessen the uses in our country of this life-saving device.

I can not view it at all, I may say to my colleagues in the Senate, from the economic standpoint. I think we have resting upon us the obligation, in the interest of humanity, to lower the price of this product just as much as can be done.

I know that if we go too far, we discourage the production of the product, but the Senator from Massachusetts has assured me that millions of pounds have been made. No doubt this great concern will use its resources and the inventive genius of its scientists to find means of reducing the cost of production.

I must say for myself, Mr. President, because of the humane aspects of the case, that I am forced to vote for the lowest possible tariff upon this product.

Mr. SMITH. Mr. President, may I ask the Senator from Massachusetts a question in regard to this? I suppose the production of this glass has passed the experimental stage now, but I want to ask the Senator to what extent it is being manufactured in other countries, and what is the cost abroad compared with the cost of production here?

Mr. WALSH of Massachusetts. Mr. President, it is being manufactured extensively in Germany. The difference between the cost of production in this country and the actual selling price of the imported German sheets is about 15 cents a pound.

Mr. SMITH. That is the difference between what it would sell for here and what the imported sheets from Germany would sell for?

Mr. WALSH of Massachusetts. Yes; from 10 to 15 cents.

Mr. SMITH. About what is the selling price here now, per pound?

Mr. WALSH of Massachusetts. The German imported sheets, transparent celluloid sheets, are invoiced here for 65 cents a pound. The duty is 40 cents now. That makes the landing price here \$1.05. The representatives of the Tariff Commission who made investigations say that the cost of producing these sheets in America is from \$1.10 to \$1.15. That, of course, does not include any profit to the maker. The selling price is about \$1.20 here, as against a German selling price of \$1.05. I am informed that the American selling price was about \$1.35 one year ago.

Mr. SMITH. So that the contention is that the cost of the manufacture of the article in America absorbs, necessarily must absorb, all of the duty that is now on it, and even that is not adequate to protect them in the further development of the art.

Mr. WALSH of Massachusetts. That is their claim, and it is my belief, from an investigation of all the evidence presented.

Mr. SMITH. I have not had an opportunity to study the constituent elements which enter into the composition of this unbreakable glass, but it has been rather a curious situation, it seems to me. I presume there is more of the cellulose which they use in this country, and it is more abundant in the raw form here than in any other country on the globe. Certainly, it seems to me, it is more obtainable by this country than by Germany, because she does not produce the basic element from which the cellulose is obtained in any of her area that I know of, while in this country we have it in almost unlimited quantities. I was a little surprised to know from the Senator, who has made a study of this subject, that the cost of production in this country should exceed the cost of production in Germany.

Mr. WALSH of Massachusetts. Of course, labor is the chief item. The cost of cotton is about 9 or 10 per cent of the cost of the finished product.

I want to repeat for the Senator's information this fact, and I certainly have been very much impressed by it; when bids for this commodity were requested by the Ford Co., the German producers outbid every American producer, and there are five American producers, and it is my judgment, although there may be difference of opinion about it, it is the conclusion I have reached, that if all of the users of transparent cellulose sheets for manufacturing safety glass combined and asked for bids from Germany, as well as this country, there would not be a single pound of it produced here. That is my judgment. The German producers could undersell the domestic manufacturers.

The reason they have sold the domestic sheets here is because it is sold in smaller quantities, and because, I venture to say, although this is inference, some of these automobile companies have a relationship to some of these other industries and some of the American users prefer to buy the domestic sheets at a slightly higher price. It is my judgment—and I am frank to say that others may, upon the facts, come to a different conclusion—that if it were possible to put out to bidding the entire consumption, every pound of these sheets would be produced in Germany, instead of here. That is why I am led to take the position I have indicated.

Mr. SMITH. This is not a patented process, as I understand it. Am I correct in that?

Mr. WALSH of Massachusetts. There are no patents on this material, but I think the method of attaching the sheets to the glass is probably patented.

Mr. SMITH. The essential fact that we are considering now is making it available, as the Senator from New York has indicated, for the preservation of life, more especially now that we have so many closed cars on our highways.

Mr. WALSH of Massachusetts. I appreciate the force of that argument, but it seems to me the conclusion that one must reach, in view of these facts, is that we are going to surrender the industry to foreign producers. I think we are at the parting of the ways. If we are going to consider simply the factor the Senator from New York has presented, we must abandon the production of this commodity in the United States, unless, as he says, some science and some undiscovered factor yet may develop that may make it possible to produce the commodity cheaper in the United States than it is produced in Germany.

I think the very fact that it is useful to humanity, the very fact that it is an important device in saving human life, is an argument in favor of giving reasonable encouragement to its development here, and to developing the industry here, though it may result in a slight cost increase to the consumer.

I want to repeat what I said before—perhaps I am exaggerating—I see the tremendous possibilities of this industry, that the product may be used in every piece of glass that is installed in the home and in every store and in every means of transportation.

Mr. SMITH. Mr. President, I accept the idea that we ought to produce the commodity in this country, if we can do it on anything like a competitive basis with other countries, but it is a marvel to me that the cost of labor in this country should be the great element in the cost of producing the article, as the Senator has said it is.

Early next week, if I can get an opportunity, I want to present to the Senate the results of work I have been trying to do for nearly a month, with such facilities as the Government affords, in relation to the mechanization of American industry, the supplanting of human labor by machines. Up to the present time that is the most startling revelation I have ever had in studying the economic situation in this country.

Mr. WALSH of Massachusetts. Of course, it is the foundation of the growing unemployment in this country.

Mr. SMITH. There is no question about that.

Mr. WALSH of Massachusetts. I am glad the Senator has undertaken such a study, and is going to present his observations. Let me add that I know of no Senator on this floor who can more ably and more thoroughly present such an argument to the Senate.

Mr. SMITH. I am much obliged to the Senator, but the point I wanted to ask him about, one thing I wanted to develop, was this: To what extent he has investigated the labor element in this matter as compared with labor element abroad; and I refer to manual labor, not machine labor.

Mr. WALSH of Massachusetts. To this extent, that the invoice price of these sheets at an American dock is 65 cents, when introduced from Germany. That is one fact which nobody disputes. Representatives of the Tariff Commission who have visited the five plants which produce these sheets in this country made, I assume, an honest, conscientious study for the purpose of informing their Government as to the cost of production here. They report that the cost in this country is from \$1.10 a pound to \$1.15 a pound.

With those two facts, if they are accurate, and can not be disputed, why is there not a case made for some increased protection?

Mr. SMITH. Has the development of this process been contemporaneous in this country and in foreign countries, or was there an earlier production abroad?

Mr. WALSH of Massachusetts. The production began at about the same time here and abroad. I think, as a matter of fact, that the production in this country preceded the German production slightly, by perhaps a few months.

I want to repeat what I said to the Senator from South Carolina, that we have to distinguish here between the ordinary cellulose sheets and the transparent cellulose sheets. If he had heard my entire speech he would no doubt remember that I enumerated the different factors and the additional expense that is required as between the different kinds of cellulose sheets, differentiating the celluloid sheet that is seen on the backs of toilet brushes and in toys from the one I have exhibited here. It is quite apparent that more labor and more effort and finer materials must be used upon the transparent sheets.

Mr. BINGHAM. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Connecticut?

Mr. WALSH of Massachusetts. I am glad to yield.

Mr. BINGHAM. I merely want to say in reference to the inquiry of the Senator from South Carolina as to the cost of a closed car using this material, that I was interested to find out what the additional cost of a closed car would be if every window in the car contained this material on which the Senate Finance Committee is asking for an increased duty of 5 cents a pound. I can inform him that the smaller closed cars use about 3½ pounds and the larger cars about 4 pounds, so the total increased cost in a closed car would be about 20 cents.

Mr. BARKLEY. If it only involves an increased cost of 20 cents to equip it all around with this safety glass—

Mr. BINGHAM. I did not say glass. Of course the cost of the manufacture of the glass is many dollars, sometimes as much as \$50 or \$75. We are dealing now merely with a thin sheet of cellulose 0.031 of an inch thick which goes into the manufacture of the glass, and the increased cost of the 20 square feet needed for a closed car would be the cost of 4 pounds of the material, or about 20 cents.

Mr. BARKLEY. The Senator from Connecticut is using that information as an argument to show the infinitesimal cost of this device to the automobile owners of the United States. I was wondering, if that is about all it is going to cost, why the Rolls-Royce, the Buick, Chrysler, the De Soto, and the Plymouth cars furnish the safety glass in windshields and other windows provided the purchaser of the automobile is willing to pay an additional cost for it. If it only involves 20 cents additional expense for the transparent sheet that goes into the manufacture of the glass, why is it that these high-priced cars will not furnish it unless the purchaser requests it and is willing to pay the additional cost?

Mr. BINGHAM. The cost of the safety glass, after it has been manufactured into plate glass, makes the additional cost from \$25 to \$30 or \$50. What we are considering now is not the safety glass or the duty upon safety glass but merely the duty upon the thin sheet of cellulose, paper thin, that goes into the manufacture of that glass, and the increased cost of the amount required for one car is only 20 cents.

Mr. BARKLEY. The difference being that in the safety glass there are two sheets of plate glass, each of which is thinner than the original thickness of plate glass without this safety device, so the additional work is in having two sheets of plate glass and putting a transparent sheet between them and gluing them together so that when there is an automobile wreck, instead of the glass shattering all over the car it sticks to the thin sheet that is put between the two pieces of glass and does not scatter and injure the passengers.

I suppose from the standpoint of the additional cost of the actual transparent sheet that 20 or 25 cents is all that would be involved. How much additional the automobile concern would charge the users by reason of this new thing they have brought into existence I do not know. It seems rather strange, if the cost is only 20 cents additional plus the extra expense of putting the sheet between the two sheets of glass and gluing them together so they will not separate, that there should be such a high extra charge made by the automobile concerns. I should like to inquire of the Senator from Massachusetts whether all of the transparent sheet involved in this increase from 45 to 50 cents a pound is used in the manufacture of safety automobile glass or whether a considerable part of it is used in the manufacture of other commodities?

Mr. WALSH of Massachusetts. I understand this transparent cellulose sheet is used solely in the making of safety glass. I will say to the Senator, who referred to the cost of the safety glass, which, of course, is a different matter entirely from the cellulose sheets—the cellulose sheet being the thin sheet that is placed between the two layers of glass—

Mr. BARKLEY. Yes; I understand.

Mr. WALSH of Massachusetts. It is the inner part of it. A good deal depends upon the kind of glass that is used. Ordinary cheap glass will mean one price and good plate glass another price. Some of the automobile concerns, I understand, use the cheapest glass and others are using the high-priced plate glass, so there must be a wide variance in the cost of the windshield glass, depending upon the kind of glass that is used.

Mr. BARKLEY. That was true before they invented safety glass. The automobile people have always used different kinds of glass. They have not changed the type of glass now since they have invented the transparent sheets. They simply take two thinner pieces of glass and put them together, placing between them this transparent sheet.

Mr. WALSH of Massachusetts. I understand the Ford Co. uses the ordinary glass, and practically all the larger companies use the plate glass.

Mr. BARKLEY. In other words, the invention of the safety sheet has not changed the type of automobile glass at all.

Mr. WALSH of Massachusetts. No; but I do think that the progress of the automobile industry is such that the tendency is all the time to use better parts; and I assume better glass is being made and used just as other parts are being improved.

Mr. BARKLEY. That is wholly independent of the adoption of safety glass?

Mr. WALSH of Massachusetts. Oh, yes. I can understand the raising of the question of the final cost of the glass and the additional price that may result to the consumer, but I believe that the tariff question here clings pretty closely to the issue as to whether or not ordinary cellulose sheets are one thing and transparent cellulose sheets are something else. If the material used in the transparent sheets is more expensive than that used in the ordinary sheets and if the time for developing the transparent sheets is longer and the expense greater, we ought to consider it. That seems to me to be the crux of the whole issue, as I see the issue before us.

Mr. BARKLEY. There is no contention that the transparent sheet used in automobile safety windshields is the same sort of celluloid that is used in the making of dolls and toys and toothbrushes and hair brushes and such articles.

Mr. WALSH of Massachusetts. But that type of celluloid has a duty of 40 cents.

Mr. BARKLEY. And this type has a duty of 45 cents.

Mr. WALSH of Massachusetts. The House recommended it. The Senator is arguing against an increased duty for this transparent cellulose sheet which is highly different from the ordinary celluloid sheet, in my judgment.

Mr. BARKLEY. I am trying to get the information in order to know whether I will argue it or not. I have been unable so far to get the necessary information to enable me to make an argument on either side of the question.

Mr. WALSH of Massachusetts. I am sorry. I have occupied the floor more or less for an hour and I am sorry I have not been able to give the Senator any help. I can well appreciate in all these varied and complicated tariff issues that it is difficult for a Senator to get exactly the information he needs to decide for himself the just course to take in fixing the amount of duty.

Mr. BARKLEY. If the Senator can not give me the information, then no one could do so. May I ask the Senator another question? Do any of the automobile manufacturers make this cellulose sheet themselves?

Mr. WALSH of Massachusetts. No.

Mr. BARKLEY. They purchase it altogether?

Mr. WALSH of Massachusetts. They purchase the sheets, but they make the glass distinct from the glassmakers, such as the Pittsburgh Glass Co. I understand Ford buys the sheets and makes the glass and uses it in the manufacture of his automobiles; but the chief purchasers of the domestic transparent cellulose sheets are the large glassmakers, two of whom, as the Senator knows, are located in Pittsburgh.

Mr. BARKLEY. They make this glass largely for automobiles and other vehicles that are in motion so as to provide safety for passengers.

Mr. WALSH of Massachusetts. Yes.

Mr. BARKLEY. The Senator a while ago referred to the fact that in the years to come this glass will be used in homes and in stores. What occasion would there be for having a safety window in the ordinary home? It is not in motion and there is no danger of injury to life or limb by reason of the breaking of the glass in the windows of a home.

Mr. WALSH of Massachusetts. I do not think at the present time it is likely to be used in the windows of a home, but it will be used in the windows of stores, in the windows of banks, in the windows of airplanes, naval vessels, and it will be used in the windows of all vehicles for transportation. I think, perhaps, it may be some time yet before it will be used extensively in the windows of homes.

Mr. BARKLEY. Basing our conclusion upon the suggestion of the Senator from Connecticut that the increased cost in the average automobile would be 20 cents, can the Senator inform us how much more the automobile will cost the public on account of the use of this invention?

Mr. WALSH of Massachusetts. I am sure I can not state what increased cost may be levied upon this product as it passes from the manufacturer of the cellulose sheet to the glass manufacturer and from the glass manufacturer to the automobile maker and from the automobile maker to the ultimate user. I assume there will be some increase, as there ought to be,

because the automobile manufacturers will be using a superior glass product and putting a superior automobile on the market. Then, too, the automobile companies will be obliged to use two sheets of glass instead of one.

Mr. BARKLEY. The fact that at least six well-known makes of automobiles will not furnish it unless the purchaser agrees to pay an additional price indicates that the cost is multiplied several times beyond the 20 cents.

Mr. HARRISON. Mr. President, we ought not to overlook the fact that the automobile industry, the one industry in this country which has progressed and which has grown in gigantic proportions, is unprotected; that is, whatever tariff is on it does not operate. We reduce that tariff in the pending bill at this time. There are innumerable items in the bill where rates have been increased on parts which go into the construction of automobiles. The rates on glass bulbs that go into the manufacture of an automobile are increased. The rates on chains which are used in the operation of automobiles were increased. On plate glass and sheet glass and other kinds of glass the rates are increased. In the metal schedule certain kinds of iron and metal that go into the manufacture of automobiles have had the rates increased.

In other words, we are adding a burden to the automobile maker in this country, and he is operating, as I said, without protection. We want to do the right thing, but here is a case where the House increased the rate 5 cents, the rate under the present law being 40 cents.

The present law imposes a duty of 40 cents; the House increased it to 45 cents. We are seeking here to add a further increase of 5 cents. The judgment of the Ways and Means Committee and the judgment of the House was for a 45-cent duty. Now, why not, in order to save time in a long discussion on this one item, which is only one of thousands of other items in the bill, accept the recommendation of the House, grant the 5-cent increase, and leave the duty at 45 cents? I ask the chairman of the Committee on Finance if he will not agree to that course on this particular proposition? That will also close the matter so far as conference is concerned. Let us grant the increase of 5 cents and proceed with the consideration of something else.

Mr. SMOOT. Can we not come to a vote without further discussion on it?

Mr. HARRISON. Very well.

Mr. SMOOT. It seems to me that that is the best way to do.

Mr. HARRISON. If the Senator would accept the House rate, we could just save the time of further discussion on the proposition and a roll call.

Mr. SMOOT. I could not well do that after the remarks which have been made on the subject by the Senator from New Jersey and the Senator from Massachusetts.

The VICE PRESIDENT. The question is on agreeing to the committee amendment on page 18, line 16.

Mr. HARRISON and Mr. SMOOT called for the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote.

Mr. SWANSON (when his name was called). I have a general pair with the senior Senator from Maine [Mr. HALE], but I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. TYDINGS (when his name was called). On this vote I have a pair with the senior Senator from Rhode Island [Mr. METCALF]. Not knowing how he would vote if present, I withhold my vote. If permitted to vote, I should vote "nay."

The roll call was concluded.

Mr. OVERMAN (after having voted in the negative). I notice that my general pair, the Senator from Wyoming [Mr. WARREN], is not in his seat. In view of my pair with that Senator, I withdraw my vote.

Mr. SIMMONS. I transfer my pair with the junior Senator from Ohio [Mr. BURTON] to the Senator from Minnesota [Mr. SHIPSTEAD] and vote "nay."

Mr. SCHALL. My colleague the senior Senator from Minnesota [Mr. SHIPSTEAD] is absent on account of illness. I ask that this announcement may stand for the day.

Mr. KING (after having voted in the negative). Upon this question I am paired with the Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the Senator from Iowa [Mr. STECK] and will allow my vote to stand.

Mr. McKELLAR (after having voted in the negative). Mr. President, there seems to be some doubt about whether I am paired with the Senator from Delaware [Mr. HASTINGS]. I find, however, that I can transfer my pair to the Senator from

Georgia [Mr. GEORGE], which I shall do, and I will allow my vote to stand.

Mr. SHEPPARD. I wish to announce that the Senator from South Carolina [Mr. BLEASE] is paired with the Senator from Rhode Island [Mr. HEBERT].

Mr. FESS. I desire to announce that the Senator from Maine [Mr. HALE], the Senator from New Hampshire [Mr. KEYES], and the Senator from Rhode Island [Mr. HEBERT] are necessarily absent, and that if present they would each vote "yea" on the amendment.

Mr. TOWNSEND. My colleague [Mr. HASTINGS] is detained on official business. If present, he would vote "yea."

The result was announced—yeas 30, nays 48, as follows:

YEAS—30

Allen	Goff	Moses	Smoot
Bingham	Goldsborough	Oddie	Townsend
Broussard	Gould	Patterson	Walcott
Dale	Greene	Phipps	Walsh, Mass.
Deneen	Hatfield	Ransdell	Waterman
Edge	Jones	Reed	Watson
Fess	Kean	Sackett	
Gillett	Kendrick	Shortridge	

NAYS—48

Ashurst	Couzens	Howell	Sheppard
Barkley	Cutting	King	Simmons
Black	Dill	La Follette	Smith
Blaine	Fletcher	McKellar	Stelwer
Borah	Frazier	McMaster	Swanson
Bratton	Glass	McNary	Thomas, Idaho
Brock	Glenn	Norbeck	Thomas, Okla.
Brookhart	Harris	Norris	Trammell
Capper	Harrison	Nye	Vandenberg
Caraway	Hawes	Pine	Wagner
Connally	Hayden	Robinson, Ark.	Walsh, Mont.
Copeland	Heflin	Schall	Wheeler

NOT VOTING—17

Bleas	Hebert	Pittman	Tydings
Burton	Johnson	Robinson, Ind.	Warren
George	Keyes	Shipstead	
Hale	Metcalf	Steck	
Hastings	Overman	Stephens	

So the committee amendment was rejected.

The VICE PRESIDENT. The clerk will report the next amendment.

The LEGISLATIVE CLERK. In paragraph 31, on page 18, line 21, after the word "ad," to strike out "valorem;" and insert "valorem.", so as to read:

(2) Made into finished or partly finished articles of which any of the foregoing is the component material of chief value, not specially provided for, 60 per cent ad valorem.

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was, on page 18, after line 21, to strike out:

(3) Transparent sheets of cellulose, not exceeding 0.003 of 1 inch in thickness, chiefly used for wrapping, by whatever name known, 45 per cent ad valorem.

And in lieu thereof to insert:

(c) Sheets, bands, and strips (whether known as cellophane or by any other name whatsoever), exceeding 1 inch in width but not exceeding 0.003 of 1 inch in thickness, made by any artificial process from cellulose, a cellulose hydrate, a compound of cellulose (other than cellulose acetate), or a mixture containing any of the foregoing, by solidification into sheets, bands, or strips, 45 per cent ad valorem.

Mr. KING. May I inquire of my colleague whether there is any purpose to include in the amendment any compounds or products not found in subdivision 3?

Mr. SMOOT. No. This amendment merely changes the phraseology. It covers nothing more than what the House provided for, but it goes into detail. If the Senator desires, I will tell him why that was done. That is all there is to it; there is no rate involved, and nothing but a change in phraseology.

Mr. KING. The rate is entirely too high, but I shall not make any motion in regard to it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. KING. I should like to ask my colleague what disposition was made of the amendment on line 16, page 18, where the increase was from 45 cents to 50 cents?

The PRESIDENT pro tempore. On a record vote that amendment was defeated.

Mr. KING. That was my recollection.

Mr. SMOOT. The amendment was rejected.

The PRESIDENT pro tempore. The clerk will report the next amendment.

The LEGISLATIVE CLERK. In paragraph 36, on page 20, after the word "pound," to strike out the semicolon and "gentian, one-fourth of 1 cent per pound; sarsaparilla root, 1 cent per pound; belladonna, digitalis, henbane, and stramonium, 25 per cent ad valorem," so as to read:

PAR. 36. Coca leaves, 10 cents per pound.

The PRESIDENT pro tempore. The question is on agreeing to the amendment.

Mr. HAWES. Mr. President—

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

The next amendment was, on page 20, after line 25, to strike out "Par. 37. Ergot, 10 cents per pound."

Mr. HAWES. Mr. President—

The PRESIDENT pro tempore. Without objection, the amendment is agreed to.

Mr. WALSH of Massachusetts. Mr. President, the Senator from Missouri [Mr. HAWES] has been trying to get the floor for two or three minutes.

The PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. HAWES. Mr. President, toward the close of the discussion yesterday afternoon paragraph 28, involving the question of American valuation in the chemical industry, was passed over; but I am advised that it is the intention of certain Senators to bring up this subject again when the committee reports back.

I am unwilling without protest or some understanding to pass over such an important subject as this until late in the year, probably even next year, if we continue at the rate we are proceeding now.

It so happens that in my home city of St. Louis we have been building up the chemical industry. The great Mallinckrodt works are there.

Mr. SIMMONS. Mr. President, before the Senator enters into that phase of the matter, will he suffer an interruption?

Mr. HAWES. I yield.

Mr. SIMMONS. Did I understand the Senator to say that he is going to discuss the question of American valuation now because he understands it is going to be delayed for some lengthy period of time?

Mr. HAWES. No, sir. My understanding is that there are certain Senators who propose at a later period to attack the American-valuation plan in this schedule; and I should be derelict in my duty as a representative of the State of Missouri, and I think as an American Senator, both, if I did not, to the best of my ability, try to have that matter settled now and not later on.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. HAWES. I yield.

Mr. BARKLEY. Under the rule under which we are proceeding the only thing that can happen to it is to let it go over. There is no amendment to it in the bill here; and any Senator has a right to offer original amendments to any part of this text after we complete the Senate amendments.

Mr. HAWES. I understand.

Mr. BARKLEY. So that in the regular order the only thing that can happen to this paragraph is for it to go over until the Senate committee amendments are disposed of, and then any Senator may offer an amendment to it.

The PRESIDENT pro tempore. May the Chair state that according to the record at the desk, the Senator from Kentucky is not wholly accurate. On page 14 there are two amendments proposed to be passed over.

Mr. BARKLEY. Technically there are amendments, Mr. President; but they do not involve the question of American valuation.

The PRESIDENT pro tempore. That is quite true.

Mr. HAWES. Mr. President, I am thoroughly familiar with the situation. I realize that this matter is not directly before the Senate.

Mr. SMOOT. Mr. President, will the Senator yield for a moment?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from Utah?

Mr. HAWES. I do.

Mr. SMOOT. I desire to ask a question for my own information. Does the Senator now propose to begin the discussion of the American valuation, or is he going to discuss it at length at this time?

Mr. HAWES. I think my remarks will not occupy more than 25 minutes.

I am constantly reminded in these discussions of a story told about John Sharp Williams, of Mississippi. He was once asked

how long it would take him to discuss a matter coming before the Senate. He thought about it for a while, and finally he said, "It will take me, I think, two hours and a half. If I were prepared, I could do it in 30 minutes." [Laughter.]

I think much of the discussion in the Senate, much of the long drawn-out speech making, is due to lack of preparation, and much economy of time might be made. Certainly no Senator can charge me with occupying much of the Senate's attention during this discussion.

Mr. President, I desire to briefly discuss the question of American valuation as it relates to the chemical schedule. I want to discuss it because I am informed that at a later date an attempt will be made to eliminate the American valuation; and I should like now to ask the Senator from Utah [Mr. KING], who seems to be proposing most of these changes, whether it is his intention to ask for the removal of the American valuation later.

Mr. KING. Mr. President, the Senator asked me that question yesterday, and I said that I did not know; and I want to state to the Senator that I have not proposed most of these changes, but many more ought to have been proposed.

Mr. HAWES. When will the Senator know?

Mr. KING. I do not know what amendments I shall offer to this bill, any more than the Senator knows what amendments he will offer.

Mr. HAWES. The Senator has offered very many amendments, and it is my impression and it is my thought that he proposes to offer this amendment. When will the Senator make up his mind on the subject?

Mr. KING. The Senator is in error when he says that I have offered many amendments. It is not true. I have offered perhaps three or four only during the discussion of this whole bill; and I say to the Senator now that I do not know whether I shall offer an amendment to this part of the bill or not. If I do, it will not be until it is proper. It is not proper now.

Mr. HAWES. I understand. Then the Senator does not know at what particular period of this discussion he will make up his mind on this subject?

Mr. KING. I shall make no further reply to the Senator. I answered him yesterday and I have answered him to-day. I do not know whether an amendment will be offered.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Missouri yield to the Senator from New York?

Mr. HAWES. I yield.

Mr. COPELAND. Unless the Senator, by his speech, converts me to the view which he apparently holds, I may offer such an amendment, whether the Senator from Utah does or not; so I shall be very glad to hear the Senator's speech, so far as I am concerned.

Mr. HAWES. I will say to the Senator from New York that I shall not be at all surprised if he does, and it is just that contingency that I want to face to-day; and it is time to face it now, before I vote on other schedules in this bill.

I do not propose to have a great industry in my State stricken to the earth because a theory is on one side and the facts are on the other. I should be derelict in my duty if I did not ask for an expression now, if it is possible to secure it, so that as these other schedules come up and are discussed I shall know what is going to happen or may happen to this particular schedule.

In this schedule, Mr. President, no change has been proposed in the law since the enactment of the present law in 1922. There has been no raising or lowering of the rates provided in the schedule. The chemical industry in my particular community has made marvelous growth since the war. It has rendered a distinct service to the United States, to all of its people, and I believe a distinct service to all the world.

We know that when we entered the war only one nation made dyes. The English nation itself, the great opponent of Germany, bought its dyestuffs from Germany. We remember, if our minds go back to that period, the helpless condition of nations when they did not have these coal-tar products. We remember, if you please, the lack of color in the clothing of the American people and the English people and in all the world.

In my city there is a man of ingenuity, of brains and energy, Mr. John F. Queeny. He thought that American brains and American energy could supply this want and he built up a business; and now American brains and American ingenuity and the skill of her chemists have supplied material that formerly was alone supplied by one unit in Germany.

So distinguished was this man's service that this one corporation and another—only two—received decorations from the Government for their services during the war. Prior to that time

there was no intermediate coal-tar production in this country. What few finished coal-tar products were made in the country were made from intermediates imported from Germany, where the whole industry, both intermediate and finished, was so highly developed that no other country could engage in the industry and successfully meet German prices. No other country could launch into chemical development and hope to succeed commercially in overtaking the rounded-out German operations. Germany could undersell without real loss, so as to make any preliminary ventures commercially impossible.

The war-time blockade enabled the Monsanto Chemical Works in St. Louis in 1915 to venture into intermediate production. It had produced certain finished coal-tar chemicals starting in 1901, but had been compelled to import the intermediates, and had always encountered difficulty in procuring these supplies because of the persistent activities of the German chemical interests to defeat efforts in other countries to develop even a small industry in the finishing of the coal-tar chemicals.

Monsanto Chemical Works early in the war period had the courage to invest largely in the difficult experiment of manufacture of the intermediates. It encountered great difficulties, including those of occupational diseases affecting workmen, about which the German chemical literature was silent. That will appeal to my friend the Senator from New York [Mr. COPELAND]. We did not understand them in this country. Chemicals are dangerous things to handle. They create disease and they cause death. Not only was it necessary to solve the immediate problem of the manufacturer of this dyestuff, but to solve the problem of the health of the workmen, which was a great problem alone, but this company did solve it.

Following its example other manufacturers engaged in the production of these intermediates. The foundation of a real chemical industry in coal-tar products was founded and began its life at this time.

Without the continuation of the embargo after the end of hostilities, however, the great German industry, unimpaired in its technique, could easily have throttled the American chemical industry.

Anticipating the declaration of formal peace by the Knox resolution, and the immediate danger to the chemical industry, Congress attached to the emergency farmers' tariff act of 1921 an embargo provision relating exclusively to chemicals. Thus Congress acknowledged then the necessity of safeguarding the new industry as an asset of national defense as well as an essential American industry, even to the point of complete embargo upon the coal-tar chemicals. Certain exceptions to the embargo were tolerated, but only with respect to articles not produced in kind within the country.

This embargo continued until the enactment of the present tariff act of 1922; and in that act, which abandoned the embargo, there was devised the principle of paragraph 28, whereby with specific and ad valorem rates combined the ad valorem rates to be applied to the American valuation of articles produced in this country.

The two classes of coal-tar products, the intermediate and the finished, would be sufficiently safeguarded to foster the great work of chemical development in the United States without the danger of low-cost importations destroying the structure being built up in this country.

Mr. President, I believe that the American valuation is wrong for some industries. I believe that it is wrong to introduce it now in new fields, but I am discussing a thing that is here, built up during the war to its present proportions. Its financing, its employment of young chemists, its employment of labor, its building of new factories, has all been done under the American-valuation theory. To change that theory may strike a deadly blow at a new industry in America. So that it does not stand on all fours with and is not analogous to the attempt of some Members of the Senate to oppose the introduction of the American plan.

This seemed to be essential, because the chemical industry in coal tars, involving the making of many hundreds of articles from the one source of coal tar, primarily requires that not a few but the entire system of products be manufactured if costs of the individual articles are to be reduced. In other words, they must make all these different things from coal tar or they can not successfully make a few things from coal tar.

Germany, with a vigor that surprised all of us, had the advantage not only of greater experience over a period of 50 years but the advantage of a great national unit controlling the industry in coal tars and acting as a unit in dealing with the world trade.

It is fostered and developed by the genius of the German nation to its point of efficiency. It was not a divided commercial enterprise, it was one consolidated enterprise, so that it could

quickly make its terms on these dyestuffs with any nation in the world, and in that way it finally controlled the markets of the world in dyes.

The new American industry faced an old and seasoned adversary, operating as a unit, and capable of making great sacrifices to destroy the new American operations and to recapture its exclusive command of the American market.

Only so strict a tariff arrangement as that contained in paragraph 28, short of the preexisting embargo, could have furnished the protection necessary. At that time very large importations of German chemicals had been brought into the country. But the basic structure of the new industry has been safeguarded, and chemical development has progressed in the United States under the act of 1922.

It is not proposed by the House and it is not proposed by the Senate committee, and I do not believe it is proposed by the minority on this side, now to strike a blow at that industry simply for the purpose of experimenting with a theory.

We know the national defense is admittedly dependent upon chemical resources. We know that these chemical houses have developed those resources, and irrespective of the question of trade, irrespective of the question of commerce, without this chemical industry surviving and prospering we would be without a strong arm if unfortunately we should ever again be brought into war.

The continuation of the protection is as essential to-day as it was 10 years ago. And happily the healthy industry in this country is to-day on such a sound competitive basis that chemicals are cheaper in the United States than they were even before the war.

I have heard of no complaint of prices charged by the Monsanto or Mallinckrodt or other chemical factories and industries in my State. The Monsanto factory employs 2,000 men, men who have become skilled. It takes time to make a workman in the chemical industry. Men can not walk in from the street and do the work. There is a period of apprenticeship. It is in part a hazardous occupation.

Again, the great German nation, so skilled in the education of its scholars, has produced fine chemists who readily went into occupations in their chemical industries because they were partly under Government supervision, for a small sum of money, for a very small wage. But these two industries, taking from the colleges of America our graduates from chemical schools, pay them high wages, advancing them, not in titles, as doctors of medicine, but advancing them in wages, and it is from the brains of these young chemists who have gone into these occupations that we are now attempting to compete with the nations of the world in investigations, in enlargement of plants, and in new chemical commodities.

Mr. FESS. Mr. President, will the Senator yield?

Mr. HAWES. I yield.

Mr. FESS. I am very much impressed with what the Senator has been saying. He has suggested methods employed by Germany, Germany being the pioneer, in which the universities over there, semigovernmental, under governmental control, have followed the practice for some time of loaning to any great industry, like the dye industry, one of its professors, who, while he is drawing a salary from the university, also accepts a small additional salary for his service in the industry. It is the Government policy of using by the Government, through the finest talent that is in the university, aid in the expert research in the new industries, especially like the chemical industry.

Germany started that years ago, and it is one of her fundamental policies, where, through the university, under the direction of the Government, constantly loans are made to industry of this expert ability. That is one of the things which has made Germany stand out in her advance in all these new enterprises.

Then Germany also, through the system of her cartels, will permit, through an agency largely controlled by Germany, sales in one country at a price below the production cost there and permit it to be made up in another country where she gets a great profit. In other words, while we are restraining industry often Germany as a Government is back of it and encouraging it in rather unusual methods.

I have been greatly impressed with what the Senator has been saying.

Mr. HAWES. I thank the Senator. He is correct. Germany is very naturally proud of its advance in the manufacture of chemicals. The Government takes a direct interest in it, it watches it, it helps carry the trade in competition with all the world, in which I think it is perfectly right, and is to be commended for that effort.

I would have the Senate understand that this particular industry stands alone; it does not rest upon the same foundation with

others as to which the American valuation is advocated. It was a product of the war. It came out of the war, and when men like John Queeny and his brilliant son and others took the gamble they did, by going into unknown fields and building up an industry, employing over 2,000 men, putting into their factories young American chemists, inspiring them in the matter of invention, it does seem to me that the opinion of the House and the opinion of the majority members of the Senate Finance Committee and, I am sure, of the minority on this side should not have their attention diverted to the subject of American valuation as applied to the chemical industry.

Mr. President, I have addressed myself to this subject because I propose to find out whether at a later period, as we finish schedule after schedule, an attempt will be made to destroy this chemical industry in my city and in my State. I want to know it now because as far as it lies within my power I am going to protect that industry and those workmen not alone because they are deserving of that protection but because I believe they are in an industry which may be made a powerful adjunct of the War and Navy Departments in case we are ever unhappily brought into another conflict.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Allen	Fess	Kendrick	Shortridge
Ashurst	Fletcher	King	Simmons
Barkley	Frazier	La Follette	Smith
Bingham	George	McKellar	Smoot
Black	Gillett	McMaster	Steak
Blaine	Glass	McNary	Steiger
Bleuse	Glenn	Moses	Swanson
Borah	Goff	Norbeck	Thomas, Idaho
Bratton	Goldsborough	Norris	Thomas, Okla.
Brock	Gould	Nye	Townsend
Brookhart	Greene	Oddie	Trammell
Broussard	Harris	Overman	Tydings
Capper	Harrison	Patterson	Vandenberg
Caraway	Hastings	Phipps	Wagner
Connally	Hatfield	Fine	Walcott
Copeland	Hawes	Ransdell	Walsh, Mass.
Couzens	Hayden	Reed	Walsh, Mont.
Cutting	Hellin	Robinson, Ark.	Warren
Dale	Howell	Robinson, Ind.	Waterman
Deneen	Johnson	Sackett	Watson
Dill	Jones	Schall	Wheeler
Edge	Kean	Sheppard	

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. COPELAND. Mr. President, I am aware that this is not the time to discuss the scientific aspect of the American valuation as that valuation applies to chemicals. In view of the very able address of the Senator from Missouri [Mr. HAWES] I do wish to have appear in the RECORD at this time a few remarks to indicate what has been the effect of the present law upon the prices of chemicals, particularly medicinal chemicals.

I hold in my hand copies of the Practical Druggist, the issue of February, 1914, and the current issue of October, 1929. This is the standard publication read by pharmacists and druggists in order that they may know what is going on in the pharmaceutical world. Each month there is a table of the current prices of drugs. For the purpose of the record I wish to insert a comparison of pre-war prices with current prices of coal-tar medicinals.

Quoting from the table I invite attention, for instance, to a drug like acetanilid, which was sold at 30 cents a pound and is now quoted at from 59 to 61 cents a pound. Antipyrin, another familiar coal-tar drug, before the war was \$2.70 per pound and is now \$4. Aspirin, very commonly prescribed, before the war sold at 43 cents an ounce, and now at 70 cents an ounce. Lithium salicylate, familiar to some of our rheumatic friends, was selling before the war at 18 cents an ounce and now sells at 26 cents to 28 cents an ounce; sodium benzoate was 40 cents and is now 73 to 75 cents.

I ask permission to have the list printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The list is as follows:

Comparison of pre-war prices with current prices of coal-tar medicinals

Name of coal-tar medicinal	Pre-war price	Current price
Acetanilid.....per pound.....	\$0.30	\$0.59-\$0.61
Acetophenetidin.....do.....	1.20	1.65-1.70
Benzoic acid from toluol U. S. P.....do.....	.38	.98-1.00
Antipyrin U. S. P.....do.....	2.70	4.00
Aspirin.....per ounce.....	.43	.70
Benzaldehyde U. S. P.....per pound.....	1.10	2.30

Comparison of pre-war prices with current prices of coal-tar medicinals—
Continued

Name of coal-tar medicinal	Pre-war price	Current price
Europhen..... per ounce.....	\$1.80	\$1.80
Betanaphthol..... per pound.....	.55	1.92-2.24
Benzosol..... per ounce.....	1.25	2.00
Bismuth Betanaphthol..... do.....	.40	.34-.36
Lithium salicylate..... per pound.....	.18	.26-.28
Mercury salicylate..... per ounce.....	.25	.37-.39
Lithium benzoate U. S. P..... per pound.....	1.25	2.88-3.20
Magnesium salicylate..... per ounce.....	.18	.22-.24
Methylene blue U. S. P..... do.....	.25	.29-.31
Naphthaline U. S. P..... per pound.....	.15	.25-.27
Novocaine or Procaine..... per ounce.....	3.25	3.25
Orthoform..... do.....	1.40	3.75
Oxaphor..... do.....	1.50	2.00
Phenolphthaline..... per pound.....	1.85	1.75-1.80
Potassium salicylate..... per ounce.....	.14	.22-.24
Pyramidon..... do.....	2.15	.75
Quinine salicylate..... do.....	.48	.92
Resorcine U. S. P..... per pound.....	1.05	2.78
Salacin..... per ounce.....	.35	.65
Salicylamine..... do.....	1.25	1.25
Salipyrin..... do.....	.30	.60
Salol..... per pound.....	1.10	1.38-1.40
Salophen..... per ounce.....	1.00	1.25
Sodium benzoate..... do.....	.40	.73-.75
Sodium salicylate..... do.....	.42	.68-.70
Strontium salicylate..... do.....	.65	1.68-1.70

Mr. COPELAND. Mr. President, I have great sympathy with and was much impressed by what the Senator from Missouri said about conditions in his city and State. But I assume we must always in the Senate give consideration to human welfare. I would not have the Senate be in the position of passing upon an economic question purely from the economic standpoint without any reference whatever to the effect of legislation upon the welfare of our people.

Those of us who have had occasion to buy drugs know how expensive they are. The problem of the medical treatment and care of our citizens is a serious problem. In every household the question of the price of drugs is an important matter.

As I said, I have no disposition now to discuss the question of American valuation. I could do it at considerable length because I have the material ready, but it is not appropriate now, as I understand, to the legislative situation. Whatever shall be done in the matter must come as an amendment to this schedule after we shall have ended the discussion of all committee amendments. I think that is correct.

Therefore there is no reason to consider at this time the problem itself; but, as I said, I would be unwilling to have the matter ended here without having the record show that the practical effect of the present law has been to double and treble the cost of many of the common drugs. The question that faces us is, Are we to think only of what might happen to 2,000 men mentioned by the Senator as being employed in his State, or are we to consider the welfare of 120,000,000 people, every one of whom has occasion to patronize the drug store and to purchase pharmaceuticals?

There is no doubt at all, I do not think anybody can gainsay it, I think the Senator from Missouri himself intimated it, that the effect of the present law is practically to place an embargo upon the admission to the country of these pharmaceuticals which are prepared across the water.

Are we content to continue in operation in the field of pharmaceuticals a theory of valuation which has been overwhelmingly defeated in the Senate in regard to everything else under consideration in the tariff bill? My opinion is that we should not make any distinction between products made in the chemical laboratory and products which are made in the ordinary manufacturing establishment.

So, Mr. President, I am content at this moment to leave the matter here, simply calling attention to the fact that the system now in effect has resulted in materially increasing the cost to the American people of the drugs which are used for the control of disease.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Kentucky?

Mr. COPELAND. I yield.

Mr. BARKLEY. As I understand the Senator, he thinks that the American value as applied to coal-tar products is wrong in principle and ought to be repealed?

Mr. COPELAND. Yes.

Mr. HASTINGS. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Delaware?

Mr. COPELAND. I do.

Mr. HASTINGS. I want to make an inquiry of the Senator. I tried to find the list from which the Senator read.

Mr. COPELAND. Here it is [handing a paper to Mr. HASTINGS].

Mr. HASTINGS. I understand from the Senator from New York that he is assuming that the increased prices of these various articles are due entirely to the tariff as provided in sections 27 and 28. Is that correct?

Mr. COPELAND. I would not say that they are due to that entirely. I have no doubt that the cost of operations to-day is greater than it was in 1914.

Mr. HASTINGS. And the value of the dollar is not quite so much as it then was.

Mr. COPELAND. The value of the dollar is less; but, wiping out those secondary considerations, I think we are right in assuming that the present law is, to a great extent, responsible for the increase in the cost of medicinal chemicals.

Mr. HASTINGS. I want to take one item that was selling at \$2.70 and is now selling at \$4. Is that the retail or wholesale price? It is the fourth item on the list.

Mr. COPELAND. Let me find the table here so that I may answer definitely. I assume that that is the wholesale price. It is stated that "the prices quoted are the average prices in the New York market for the quantities usually purchased by the retail druggist." They are what we would call the wholesale prices. Is there any other question the Senator from Delaware desires to ask me?

Mr. HASTINGS. If that be the wholesale price, the 45 per cent tariff rate would add \$1.22, making the cost of the article \$3.92. That is not quite as much as it is being sold for at the present time. I merely wanted to ascertain from the Senator whether he thought the tariff was wholly responsible for the increase in prices.

Mr. COPELAND. My judgment, I may say to the Senator, is that the tariff on chemicals of this type is practically prohibitive; that it places an embargo upon them. I would not ask that protection be taken off these chemicals by any means; I am at one with the Senator in that respect, I am sure. The thing I have in mind at the present time is—and I am hoping that I have an open mind in the matter—that the present law is prejudicial to the public welfare. I recognize all that the Senator has stated with respect to the present law in its encouragement of American enterprise and American technical skill; I am in the heartiest sympathy with that; but I want to be sure that we are not for the encouragement of a limited industry in this country setting up conditions which will impose upon the poor, upon all those who have to buy drugs, undue prices for the things they purchase.

Mr. HASTINGS. I want to express the hope that the Senator will keep an open mind—and I am sure he will—until the debate on this question shall have been concluded, if it shall become necessary to reopen the matter.

Mr. COPELAND. Let me say in regard to that suggestion that it was with some degree of reluctance this morning that I said anything about this question. I was hoping that the Senator from Utah would say that he was going to introduce such an amendment as I have indicated, but, if the Senator heard me, I said to the Senator from Missouri that, unless he converted me or somebody else converted me, I would be inclined to present that amendment. However, I have, I trust, an open mind, and if the Senator has arguments to show why it should not be done, and the people are not suffering, I shall be happy to hear them.

Mr. HASTINGS. I am going to undertake to convert the Senator before we get through.

Mr. COPELAND. I will be very glad to have the Senator do so, and I shall reserve the material which I have on the general subject of American valuation for the time being, certainly until after I have heard the Senator. Then, perhaps I shall have been turned aside from the thought I have in mind at present.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will report the next amendment.

The CHIEF CLERK. At the top of page 21 it is proposed to insert:

PAR. 37. Iron ammonium oxalate and iron sodium oxalate, 6 cents per pound.

Mr. COPELAND. Mr. President, I should like to ask the Senator from Utah about the amendment which we adopted at the top of page 19. Does that cover all the material used in wrapping bread, and that sort of thing?

Mr. SMOOT. That is provided for in paragraph (c). It includes wrappers for bread, fish, candy, toilet articles, and so forth.

Mr. COPELAND. Mr. President, once more I apologize to the Senate for talking so much about health this morning; but we happen to be considering a schedule which relates to the public health, and I am very much interested in that aspect of the subject. How foods are wrapped and protected means much to the health of our people.

Mr. SMOOT. The rate is the same as that provided by the House, and the only purpose of the amendment is to improve the wording.

Mr. COPELAND. That is what I wanted the Senator to say. As I understand, there was some suggestion originally that the rate might be put up as high as 60 per cent.

Mr. SMOOT. Yes; but we have now rewritten the provision so that that can not be done.

Mr. COPELAND. And the Senator's view now is that, for instance, the Henley Wax Paper Manufacturing Co., of my State, will be satisfied with the rate as established?

Mr. SMOOT. They are satisfied, as I understand, with the 45 per cent rate; but they did not want any wording that could be construed in any way to cause a higher rate to be imposed.

The wording has been rearranged so as to conform to the objection which was made before the committee along that line.

Mr. COPELAND. I thank the Senator. I felt disturbed after the matter had been closed, because I had intended to ask the question which I have now asked. I thank the Senator for giving me the assurance that those who were contesting the original proposal are satisfied with the provision as it passed the Senate.

Mr. BARKLEY. Mr. President, I want to inquire of the Senator from Utah as to the amendment on page 21—iron ammonium oxalate and iron sodium oxalate, 6 cents per pound. What relation does that have to the present law?

Mr. SMOOT. The rate under the present law is 25 per cent. The proposed 6 cents a pound rate, based upon the importations coming in during four months of 1929, is equivalent to—I will give the Senator the exact figures in a moment.

Mr. BARKLEY. The 6 cents a pound is an increase from 25 per cent ad valorem to practically 31½ per cent ad valorem. What is the justification for that?

Mr. SMOOT. In the specific duty the increase is from 4.67 cents to 6 cents.

Mr. BARKLEY. The present rate is 25 per cent.

Mr. SMOOT. Yes; and I say the equivalent of 25 per cent on the importations for the first four months of the present year is 4.67 cents.

Mr. BARKLEY. That represents the increase?

Mr. SMOOT. No; that is the rate; and the increase is the difference between 6 cents and 4.67 cents.

Mr. BARKLEY. In terms of the ad valorem duty it amounts to an increase of from 25 per cent to about 31½ per cent?

Mr. SMOOT. I should say approximately that.

Mr. BARKLEY. What is the justification for that increase? Last year I see there were only 24,000 pounds imported.

Mr. SMOOT. During the first four months of 1929 there were 42,900 pounds imported, and the importations have been increasing. During 1928 for the same months the importations were only 24,657 pounds; in other words, the importations have almost doubled.

Mr. BARKLEY. How much is produced in this country?

Mr. SMOOT. I have no exact figures as to that. I have asked the expert who is sitting alongside of me, and he says that there are no exact figures as to domestic production at the present time.

Mr. BARKLEY. If there are no figures showing the domestic production, how can the Senator be sure that there is any need for an increase merely because the importations have increased from 24,000 pounds to 42,000 pounds?

Mr. SMOOT. Take 1929, for instance. In the first 4-month period the importation was 42,900 pounds. Three times that amount would be an importation of 127,000 pounds.

Mr. BARKLEY. But even that might be an infinitesimal quantity compared to our total production, so far as we know.

Mr. SMOOT. I will simply say that it is a substantial part of the consumption of the article in the United States.

Mr. BARKLEY. How substantial? What is the percentage?

Mr. SMOOT. I do not like to guess at it, but this is what the Tariff Commission says about it:

There are three domestic manufacturers. Oxalic acid is the most important raw material used, a substantial portion of the domestic output being consumed in the production of these salts.

Mr. BARKLEY. That is a substantial portion of the domestic output; but that does not say that 42,900 pounds is a substantial portion of the amount produced and consumed in this country.

Mr. SMOOT. I can not tell the Senator the amount.

Mr. BARKLEY. So that we are asked to vote for this increase in the dark, without any information as to its relation to domestic production.

Mr. McKELLAR. Mr. President, did the Tariff Commission fix the rate on oxalic acid?

Mr. SMOOT. That was fixed by proclamation of the President.

Mr. McKELLAR. How does that compare with the proposed rate?

Mr. SMOOT. On the basis of 6 cents per pound duty on oxalic acid, the compensatory duty on iron ammonium oxalate is 5.8 cents. In other words, this is 6 cents, and the 5.8 cents is simply the difference.

Mr. McKELLAR. Does the Senator mean that it was fixed by the Tariff Commission?

Mr. SMOOT. As fixed by the Tariff Commission; and on iron sodium oxalate it is 4.64 cents per pound.

Mr. BARKLEY. We are obliged to vote on it in the dark.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee. [Putting the question.] By the sound the noes have it, and the amendment is rejected.

Mr. COPELAND. Mr. President, may I ask the Senator from Utah whether he wishes to say anything more about paragraph 37?

Mr. SMOOT. What was the decision of the Chair on the last amendment?

The VICE PRESIDENT. That the noes had it, and the amendment was rejected.

Mr. SMOOT. I think the Senator from Kentucky will agree to a reconsideration of that. I am going to ask him to do it. Then, if he does, I shall ask that a vote be taken again upon the item, if it is satisfactory to him.

Mr. DILL. Mr. President, I am not going to object to reconsideration; but if we are going to reconsider I think we had better have a quorum here, and have a vote on this matter.

Mr. SMOOT. I do not ask it now. I will simply say that I notice that in another section of the report it says that 28½ cents per pound is stated to be the domestic selling price of oxalate in New York. Twenty-five per cent of 28 cents is more than 6 cents; but I will not ask for reconsideration until I show the details to the Senate.

Mr. BARKLEY. The Senator is not asking it now?

Mr. SMOOT. No; I will let it go just as it is. Of course, it will fall back in the basket clause with the action now taken—25 per cent.

Mr. COPELAND. Mr. President, I desire to ask the Senator about paragraph 36, on the preceding page, page 20, about coca leaves, 10 cents per pound. What happens to the extract of coca?

Mr. SMOOT. All the rest of paragraphs 36 and 37 goes to the free list.

Mr. COPELAND. What is the rate at the present time on coca leaves?

Mr. SMOOT. I suppose the Senator means cocaine?

Mr. COPELAND. No.

Mr. SMOOT. The Senator asked me about the extract of coca leaves.

Mr. COPELAND. No; not cocaine. Let me read this communication which I have received:

I wish to call your attention to a situation created by the present tariff act and now existing.

When the narcotic law was passed, there were quite a number of chemical manufacturers making extract of coca from coca leaves from which cocaine had been extracted.

As the Senator sees, the cocaine had been taken out and then an extract was made from these leaves.

The extract of coca, decocainized, was thus a by-product. The extract was used largely by manufacturers of carbonated beverages for flavoring purposes. This law came very close to outlawing the importation of coca leaves into this country; in fact, made it so difficult to bring in the leaves that practically every concern discontinued the manufacture of these, and dismantled their equipment. Two concerns, however, qualified to bring in the leaves, and continued the manufacture of cocaine. One of these two discontinued making extract of coca after cocaine had been extracted, but refuses to sell the old leaves. The other concern continues to manufacture both the cocaine and the extract of coca. The old leaves are then destroyed by narcotic agents by burning.

What happens is that one concern making soft drinks benefits by having the entire output of these decocainized leaves; and it seems to me—and I am sure it will strike the Senator from Utah in the same way—that some provision should be made for the importation of decocainized coca extract.

Mr. SMOOT. Mr. President, if the Senator will turn to page 26 of the bill he will see that there is a proviso, beginning with line 13, which says:

Provided, That nothing herein contained shall be so construed as to repeal or in any manner impair or affect the provisions of the narcotic drugs import and export act, as amended.

That is an act by itself; and all narcotics are under the Federal narcotic board's control.

Mr. COPELAND. I realize that, but that is not quite the point. What I am saying relates not at all to cocaine or to the narcotic, but to the use of these coca leaves for the preparation of a flavoring extract after the cocaine has been extracted. The contention of this writer is that nobody in our country can buy this stuff because one concern has a monopoly of it.

Mr. SMOOT. The only thing I can think of is Coco Cola. That is the only thing I can think of that is made from coca leaves along the lines outlined by the Senator.

Mr. COPELAND. Yes; and I assume that that is the company that has the monopoly.

Mr. SMOOT. They do have a monopoly of the entire product, and no tariff act can take it away.

Mr. COPELAND. I wish the Senator would make a note of it and see if some provision can not be made for the reasonable importation of the extract of decocainized coca. Does the Senator see what I mean?

Mr. SMOOT. I understand what the Senator means.

Mr. COPELAND. In order that it may be brought in; and I will discuss the matter again with the Senator.

Mr. SMOOT. Let me suggest to the Senator that he write to the narcotic drug import and export board. If he will write to the board, they can tell him exactly whether it can be done or not; and, if it can be done, why they have not done it.

Mr. COPELAND. I will get the information and confer with the Senator about it.

Mr. SMOOT. That is satisfactory.

The VICE PRESIDENT. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 21, line 5, after the words "butyl acetate," to insert "and amyl acetate," so as to read:

PAR. 38. Ethers and esters: Diethyl sulphate and dimethyl sulphate, 25 per cent ad valorem; ethyl acetate, 3 cents per pound; butyl acetate and amyl acetate, 7 cents per pound; ethyl chloride, 15 cents per pound; ethyl ether, 4 cents per pound; and ethers and esters of all kinds not specially provided for, 25 per cent ad valorem: *Provided, That no article containing more than 10 per cent of alcohol shall be classified for duty under this paragraph.*

Mr. LA FOLLETTE. Mr. President, I should like to ask the Senator from Utah to explain that amendment.

Mr. COPELAND. Mr. President, if I may be permitted, I understand that the purpose of this amendment is to put butyl and amyl acetate in exactly the same position as to tariff. At the present time amyl acetate is in the basket clause at 25 per cent ad valorem.

Mr. SMOOT. That is correct.

Mr. COPELAND. But the amendment proposed by the committee would put the two acetates together at the same rate.

Mr. GOFF. Mr. President, I should like to ask the Senator from New York if it is not true that butyl acetate and amyl acetate are, if the term may be used chemically, each a substitute for the other?

Mr. COPELAND. I am very certain that one should have exactly the same treatment as the other. I have nothing to say about the rate; but they should be treated together because of their similarity.

Mr. SMOOT. That is what we have done.

Mr. GOFF. I should like to make a further suggestion, and at the same time ask the Senator from Utah if it is not true, that butyl acetate was included in the House bill, and amyl acetate was inadvertently left out of the House bill, and was placed in the bill by the Finance Committee for that very reason among others?

Mr. SMOOT. I can not say that it was inadvertently left out in the House. It may have been; but we are treating it exactly the same now as we do the butyl acetate.

Mr. GOFF. And the Senator is treating them in that way because one really, in a chemical sense, is a substitute for the other?

Mr. SMOOT. That is correct.

Mr. GOFF. And to permit one to come in without the duty, and put a duty upon the other, is, in effect, to neutralize the entire importation as well as production?

Mr. SMOOT. That is the case.

Mr. BARKLEY. Mr. President, may I ask the Senator why there is any reason at all for a tariff on amyl acetate, in view of the fact that since 1923 none of it has come into the country? There are no imports, and there have not been for six years. Why should there be any tariff at all on it?

Mr. SMOOT. In answer to the Senator from Wisconsin [Mr. LA FOLLETTE], let me state just why.

Amyl acetate, or banana oil, is used in the manufacture of lacquers and paints, and as a solvent for nitrocellulose.

Amyl acetate is manufactured from acetic acid and amyl alcohol. In the past, amyl alcohol was obtained as a by-product of the alcohol-fermentation industry; but the available supply of fusel oil was so limited that the lacquer industry was unable to develop rapidly. With the production of butyl acetate here on a large scale, the lacquer industry expanded to its present important position.

One domestic manufacturer produces amyl acetate from pentane, a constituent of natural gas. It is produced in Germany by synthetic methods.

Imports of amyl acetate in 1928 were negligible, only 539 pounds, valued at \$211, or 39 cents per pound. Domestic production of amyl acetate from pentane in 1928 was 4,483,000 pounds. The increased duty provided for butyl acetate will tend to encourage the importation of amyl acetate unless that rate of duty also is increased.

Since the existing rate of 25 per cent on amyl acetate would amount to 6 cents per pound, based on the German home market of 25 cents, the committee recommended a specific duty of 7 cents per pound in order to place it upon the same footing as butyl acetate.

Mr. BARKLEY. I do not see how there could be any parity as between the treatment of butyl acetate and amyl acetate. In 1927 we produced more than 26,000,000 pounds of butyl acetate. At the same time we imported nearly 5,000,000 pounds of butyl acetate, which, of course, came into competition with the domestic production.

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. SMOOT. I want to call Senators' attention to this, that if we allowed amyl acetate to take the place of butyl acetate, taking into consideration the import of butyl acetate for 1928, we would displace nearly 800,000 bushels of domestic corn, and in order to maintain that market here, and in order to compel, as it were, the use of that many bushels of American corn, we wanted to put, and did put, the same rate upon amyl acetate as is provided for butyl acetate.

Mr. BARKLEY. That argument would have a good deal of force if there were any amyl acetate coming into the United States to take the place of butyl acetate.

Mr. SMOOT. It will come in if we make the rate upon amyl acetate lower than that upon butyl acetate.

Mr. BARKLEY. This is not a decrease. You are proposing to put amyl acetate on the same basis with butyl acetate, when, as a matter of fact, we manufacture 26,000,000 pounds of butyl acetate and import 5,000,000 pounds, and when we come to amyl acetate, we produce about two and a half million pounds, and do not import any at all.

Mr. SMOOT. But if we reduce the rate on butyl acetate, it will come in, and it will displace the domestic corn that butyl acetate is made of.

Mr. BARKLEY. There is no controversy over butyl acetate. What you are proposing to do in this amendment is to place amyl acetate on the same basis, with the same rate, with the butyl acetate, when, as a matter of fact, for the last six years there have been no imports of amyl acetate that would justify putting it in the same category with butyl acetate, 5,000,000 pounds of which have come in.

Mr. SMOOT. They have not imported amyl acetate, because of the very fact that they have been importing butyl acetate. What the committee wants to do is to put them on a parity, so that it will be just as well for the American manufacturer to use the domestic corn and keep that rate at 7 cents, and on a parity with amyl acetate, and then the importations will be no more, at least, than they have been in the past.

Mr. BARKLEY. Is the rate of 7 cents a pound on amyl acetate a decrease or an increase from the present rate on amyl acetate?

Mr. SMOOT. It is an increase.

Mr. BARKLEY. You are increasing the rate on a product that has not come into the United States for six years.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. HARRISON. I merely wanted to know, so that we may get at the point of the controversy, what is the equivalent in cents of the ad valorem rate on this product, amyl acetate?

Mr. LA FOLLETTE. The present rate, I may say to the Senator, is 25 per cent ad valorem.

Mr. HARRISON. What is the equivalent? What is the price of it?

Mr. SMOOT. It is 25 per cent of 39 cents, the latter price being the foreign price of the imports. That would make it a little under 10 cents.

Mr. HARRISON. Then it is a reduction here, instead of an increase. It is 7 cents now, and was 9 cents, and you are talking about an increase, when, as a matter of fact, it is a reduction.

Mr. SMOOT. There is only a small importation of this article, and we brought the two items together.

Mr. HARRISON. I am not talking about that. I had understood the Senator to say that he was increasing the rate on amyl acetate. I now find you are not increasing it but are reducing it. The rate is 25 per cent ad valorem in the present law. You propose by this bill to fix the rate at 7 cents a pound, which is about 2 cents less than the rate in the present law, according to the statement the Senator just made.

Mr. SMOOT. That would refer to 1925.

Mr. HARRISON. What was it in 1928?

Mr. SMOOT. That is what I am about to call attention to. The reason for the increase was that in 1928 the German price of amyl acetate, including packing, varied from 25.4 cents to 28 cents per pound. The 25 per cent of 25 cents is 6.3 cents, and that is less than the duty we had upon butyl acetate. If it were left that way, instead of butyl acetate, amyl acetate would be used, and the use of American corn for the purpose of manufacturing that article would be displaced.

Mr. BARKLEY. Mr. President, is the Senator trying to make it possible to bring this product in or to keep it out?

Mr. SMOOT. We are raising the rate on it so that it can not be duplicated here.

Mr. BARKLEY. So that it can not come in. Although it has not been coming in for six years, you are raising the rate to keep it from coming in in the future.

Mr. GOFF. Mr. President, will the Senator yield to me?

Mr. BARKLEY. I yield to the Senator from West Virginia.

Mr. GOFF. I would say to the Senator from Kentucky, in view of what the Senator from Utah has said, that amyl acetate is a substitute, in the general sense of the word, for butyl acetate.

Mr. BARKLEY. They evidently—

Mr. GOFF. I am now going to proceed to answer the question, which the Senator has conceded me the right to do.

The imports of amyl acetate did decrease from 1923 to 1928. The opinion expressed by the Tariff Commission is that that was due to the increased imports of butyl acetate, since in the manufacture of the two products in Germany they are treated as interchangeable. They are joint products with other items, and if one is the substitute of the other, we are trying now, with the new industries which have been established in the United States—and I will say to the Senator from Kentucky very frankly that the industry I have in mind is very near the border line of West Virginia and Kentucky—

Mr. BARKLEY. I do not care if it is straddle the line.

Mr. GOFF. I do not care myself, but I am trying to tell the Senator the location, in order that he may know why I am possibly more interested than he.

Mr. BARKLEY. I suppose, by inference, my interest would increase in proportion to the proximity of this acetate to the boundary line between West Virginia and Kentucky.

Mr. GOFF. I would say so, because it is a well-known fact, of which most people take judicial notice, that West Virginians go over into Kentucky too often to spend money.

Mr. BARKLEY. They have to have some place to spend it, and they might just as well come to Kentucky.

Mr. GOFF. That being the situation, we intend to make butyl acetate from corn, and we desire to keep out the butyl acetate as much as we can. It has been coming in and acting as a substitute one for the other.

Mr. BARKLEY. This amendment has no relationship to butyl acetate. Butyl acetate bears a 7 cent a pound rate, and that rate is kept in this bill. What you are seeking to do is to put amyl acetate on the same basis as butyl acetate, when amyl acetate has not been coming into the United States, and I can not find out whether this is going to keep it out longer or is going to permit it to come in.

Mr. GOFF. It has not been coming in, as I said suggestively to the Senator, because both amyl acetate and butyl acetate are made in Germany, and each of them is related.

In the past 30 months we have established in the United States plants that are manufacturing amyl acetate from American corn, and if we are going to permit butyl acetate to be excluded at a

7-cent tariff rate and let amyl acetate come in free of duty, then one neutralizes the other.

Mr. BARKLEY. I am not advocating that amyl come in free. Butyl is coming in now at a rate of 7 cents. The figures show that amyl has not been coming in at all, and if we are going to keep one of these brothers at a 7-cent rate and keep the other out at the same rate, I want to find out what the relationship between them is. You certainly would not contend that amyl is a substitute for butyl, when amyl has not been coming into this country, and one concern in the United States makes it.

Mr. GOFF. Then why should you have brought in the amyl if butyl was a substitute, and the bringing in of the butyl answered the same domestic manufacturing purpose?

Mr. BARKLEY. As far as I am concerned, it is immaterial to me which one gets in first, or whether either one of them comes in at all, but what I am trying to ascertain is whether, if amyl acetate has not been used as a substitute for butyl acetate, what difference does it make what rate is put upon it?

Mr. GOFF. It makes a difference to this extent, that we have plants in the United States that are now, in the manufacture of amyl acetate, utilizing corn which used to be used, before the Volstead Act went into effect, for other purposes.

Mr. BARKLEY. Does the Senator contend that any corn in this country is now being utilized in the manufacture of amyl acetate?

Mr. GOFF. I do, yes; a great deal for the butyl not the amyl. The Senator may ask me the number of bushels, and I will tell him I do not know it.

Mr. BARKLEY. There being no imports, and therefore no foreign competition, the amount of corn used will not be affected.

Mr. SMOOT. Mr. President, I would like to state the object of this provision. If the amyl acetate were coming into the United States and taking the place of butyl acetate, it would destroy the market for the corn.

Mr. BARKLEY. This situation does not affect the market for butyl acetate, does it?

Mr. SMOOT. Certainly. If we had a lower rate on butyl, then of course it could come in.

Mr. BARKLEY. But we do not have a lower rate on butyl. You are carrying butyl at the same rate. There is no amendment affecting butyl acetate.

Mr. SMOOT. Butyl acetate, under the existing law, bears a duty of 25 per cent, and the amyl acetate a rate of 25 per cent.

Mr. BARKLEY. The House bill fixed the rate at 7 cents.

Mr. SMOOT. That is not in the law now.

Mr. BARKLEY. But the Senate committee bill fixes the rate at 7 cents, so that there is no amendment affecting butyl acetate. Therefore that does not offer any reason, it seems to me, for changing the rate on amyl acetate, which does not come in at all; and if it is being used as a substitute for butyl acetate, it is the domestic production of amyl acetate, and not any foreign importation.

Mr. SMOOT. We report a rate of 7 cents on butyl acetate. There was no change in the House provision as to butyl acetate, but what we want to do and what we are asking to have done is to bring the amyl acetate to 7 cents, because that is before the Senate.

Mr. BARKLEY. Does it bring it up or down?

Mr. SMOOT. It brings it up to the rate of 7 cents, as provided for the butyl acetate.

Mr. BARKLEY. So that in order to keep out a product that has not come in for six years, you are raising the rate on it.

Mr. SMOOT. If we did not raise the rate in conformity with the raising of the rate on butyl acetate, then, instead of the butyl acetate coming in, amyl acetate would come in, and the manufacturers would not take any of the American corn to produce it.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I will yield to the Senator from New York.

Mr. GOFF. I trust the Senators will speak loudly enough so that we may all hear them.

Mr. BARKLEY. The Senator from Utah has asked me in an aside to yield to him in order that he may read something in order that I may be clear in my mind in regard to this matter, and I just remarked to him that I would welcome anything that might clear up this situation.

Mr. COPELAND. This is what I desire to read to the Senator:

In the manufacture of amyl acetate by the methanol process in Germany it is possible to regulate the relative proportions of butyl acetate and amyl acetate. If it should become no longer profitable for Germany to export butyl acetate to this country, they can conveniently divert their operations to amyl acetate, and every gallon of amyl acetate

brought into this country will displace 1½ gallons of butyl acetate. The reason for this ratio of consumption is that 1 gallon of amyl acetate plus two-thirds of a gallon of ethyl acetate is equivalent to 1½ gallons of butyl acetate.

For my part, I believe this is right and should prevail.

Mr. BARKLEY. Of course, if the Senator had explained on his own responsibility it might have been made clear, but what he read simply confuses the situation even worse than it was confounded prior to his entry into the discussion.

Mr. LA FOLLETTE. Mr. President, may I ask the Senator from New York whether he quoted from a brief filed before the Finance Committee?

Mr. COPELAND. Yes; I did.

Mr. BARKLEY. By whom was that brief filed?

Mr. COPELAND. It was filed by the Sharples Solvents Corporation.

Mr. BARKLEY. And that is the only concern in the United States that manufactures this commodity.

Mr. GOFF. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield.

Mr. GOFF. I would say to the Senator from Kentucky that the House bill included butyl acetate at 7 cents a pound. That is on page 26 of the committee print. Now the House bill did not include amyl acetate. As I understand it, both of those products, as joint by-products of other major productions, are manufactured and can be manufactured in Germany. Inasmuch as then there was a demand only for the butyl acetate Germany was devoting her industrial processes to the manufacture of that chemical product. The American manufacturers were buying it. If we do not put amyl acetate on the same basis as butyl acetate, then what have we?

Mr. BARKLEY. I do not know.

Mr. GOFF. We have one coming in here free to neutralize and supersede if not destroy the other.

Mr. BARKLEY. There is already a tariff of 25 per cent ad valorem on amyl acetate, so it does not come in free. It has not been coming in free.

Mr. GOFF. Because Germany has not produced it. Why should Germany produce it if the American purchasing public is willing to buy butyl acetate? We have tried to install and institute in this country manufacturing plants that would absorb our production of amyl acetate, and the company whose brief was read from by the Senator from New York has been in existence now for only 30 months. We are anxious to give a protection that will permit through the introduction of butyl acetate the elimination of the production as a domestic product of amyl acetate.

Mr. BARKLEY. I dislike to consume any more time on the subject, but is it the theory of the Senator from West Virginia that butyl acetate is to be used as a substitute for amyl acetate, or is it the other way around?

Mr. GOFF. My theory is based simply upon this fact—

Mr. BARKLEY. Which is it? That is what I am trying to find out.

Mr. GOFF. I am not going to answer a proposition of that kind yes or no.

Mr. BARKLEY. Certainly the Senator ought to be able to say yes or no as to whether one is to be used as a substitute for the other.

Mr. GOFF. I say one will be used as a substitute for the other.

Mr. BARKLEY. Which one will be used?

Mr. GOFF. Butyl acetate will be used as a substitute for amyl acetate if amyl acetate is not given this 7-cent rate.

Mr. BARKLEY. In other words, if we do not increase the rate on amyl acetate, none of which comes into the country, butyl acetate which enjoys a protection will be used as a substitute for amyl acetate that we do not import.

Mr. GOFF. Will the Senator permit me to clear up a little of the mud which I understood him to suggest a moment ago has been thrown into the debate?

Mr. BARKLEY. I certainly will if the Senator can do so.

Mr. GOFF. We have butyl acetate excluded by a 7-cent-a-pound tariff rate. If we allow amyl acetate to come in free, Germany will say, "We will now make amyl acetate, which we can do just as easily and just as readily and just as cheaply as we produce butyl acetate, and we will not send in any butyl acetate but we will send in amyl acetate," and thereby destroy the infant industry which we are establishing in this country for amyl acetate.

Mr. BARKLEY. The question of bringing in amyl acetate free is not before the Senate. The only question is whether the rate shall be changed from 25 per cent ad valorem, as now in

existence, to 7 cents per pound. If under the rate of 25 per cent ad valorem there have been no imports—

Mr. GOFF. Simply because Germany has not manufactured it.

Mr. BARKLEY. That can not be accurate, because some six or seven years ago we imported some 25,000 or 30,000 pounds of this particular product. If under the rate of 25 per cent ad valorem there have been no imports, whereas under the rate which has been fixed on butyl acetate there have been some 5,000,000 pounds imported, which is about one-fifth of our domestic production, I can not for the life of me see any necessity for raising this rate, if it is to be raised, from 25 per cent ad valorem to 7 cents a pound. Certainly if 7 cents a pound is a reduction, as the Senator from New York at one point in the controversy suggested, it would not remedy the situation so far as amyl acetate is concerned.

Mr. GOFF. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from West Virginia?

Mr. BARKLEY. I yield.

Mr. GOFF. From information taken from the Summary of Tariff Information, published by the commission in 1929, I have the figures—

Mr. BARKLEY. Frequently I observe Senators on the other side of the aisle are purporting to be reading from the Summary of Tariff Information furnished by the Tariff Commission in 1929. Under what circumstances is the Tariff Commission furnishing some Senators information that is supposed to be up to date whereas other Senators are unable to obtain it? That information is not contained in the published compilation of their reports.

Mr. GOFF. The Senator does not expect me to pass on the invidious distinction if any are involved—

Mr. BARKLEY. If it is an informal report and not one made after careful investigation, as these are supposed to be made that are in the published compilation, I think it appropriate to inquire whether the commission are taking the word of some private manufacturer on the proposition or whether they have sent their agents into the field to make investigations.

Mr. GOFF. I am not taking the word of any private manufacturer on this question, because I have been informed that what I intended to state at the time the Senator interrupted me was that butyl acetate imports have risen—not fallen off—to 8,756,352 pounds from March, 1927, to September, 1928. This computation has been made from the summary of the Tariff Commission. Whether anyone has been denied this information, which was involved in the Senator's question, I am not in a position to say, but I am reliably informed that this is a computation taken from the tariff summary relating to these articles.

Mr. KING. Mr. President, will the Senator from Kentucky yield?

The VICE PRESIDENT. Does the Senator from Kentucky yield to the Senator from Utah?

Mr. BARKLEY. I yield.

Mr. KING. I do not understand the Senator from West Virginia. The information which the Tariff Commission furnishes is that the importations of butyl alcohol in 1928 were 5,000,000 pounds.

Mr. GOFF. I am not talking about butyl alcohol. I am talking about butyl acetate.

Mr. KING. Yes; butyl acetate. Does the Senator challenge that statement and say the importations in 1928 exceed the figure I have just given?

Mr. GOFF. I challenge it if the statement of those figures and those facts contradicts any of the facts which the Senator from Utah has in his possession. I say the butyl acetate imports increased to 8,756,352 pounds from March, 1927, to September, 1928.

Mr. KING. Mr. President, will the Senator from Kentucky yield further?

Mr. BARKLEY. I yield.

Mr. KING. Of course, the statement presented in that form may be accurate, but it does not give a correct picture. The Summary of Tariff Information gives importations per year, and if some representative of the Tariff Commission, through one of their experts, have given the Senator those figures it would seem as though they were trying to muddy the waters and give an improper impression or picture of imports, because the imports in 1928 were only 5,000,000 pounds and not 8,000,000 pounds. The statement which the Senator read, of course, does not give the figures for 1928, but it mixes two years together and of course a proper picture could not be given. That does not indicate an increase measured by preceding years.

Mr. GOFF. It indicates an increase in the importations of butyl acetate covering that period, and that is the period which has been involved in the production of amyl acetate.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER (Mr. Fess in the chair). Does the Senator from Kentucky yield to the Senator from North Carolina?

Mr. BARKLEY. I yield.

Mr. SIMMONS. As I understand it, the foreign price of this acetate ranges between 25 and 28 cents a pound.

Mr. GOFF. That is correct, as I understand it.

Mr. SIMMONS. If it is 25 cents, then the increase proposed will be three-quarters of a cent. If it is 28 cents, then there will be no increase at all. If there is an increase of three-quarters of a cent, the present duty is prohibitive, as I understand the Senator from Kentucky.

Mr. BARKLEY. It has operated to be prohibitive because it has shut out the importations practically altogether.

Mr. SIMMONS. Then the additional amount will be still further prohibitive, and that will be the only result, according to the Senator from Kentucky.

Mr. BARKLEY. Yes.

Mr. SIMMONS. I think we ought to vote upon the question.

Mr. KING. Mr. President, the error which I think has been made is in increasing the tariff on butyl acetate 100 per cent. The controversy over amyl acetate is not so important. But I do insist that increasing the tariff on butyl acetate 100 per cent is no justification for increasing the tariff on amyl acetate. When we get through with the committee amendments and the bill is subject to individual amendment, I shall offer an amendment reducing the tariff on butyl acetate from the 100 per cent increase to the present rate.

The present rate is sufficiently high as not to affect the industry and is merely competitive. A tariff duty upon amyl acetate prohibits any imports, and, of course, increasing the tariff will make it a complete embargo. The fact is that the companies which are manufacturing these products, the Union Carbide & Carbon Co., with its hundreds of millions of assets and its profits of last year of more than \$40,000,000 or \$50,000,000, and one or two other companies, of course want a complete embargo upon all chemicals. These six or seven big corporations, mentioned a number of times during the debate, largely got control of the chemical industry and there were written into the 1922 act prohibitive rates upon hundreds and thousands of commodities. Those prohibitive rates are being carried in the bill now before us and some of them are being increased.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The CHIEF CLERK. In paragraph 41, page 22, line 1, it is proposed to strike out "25 per cent ad valorem" and to insert "11 cents per pound," so as to read "and hexamethylenetetramine, 11 cents per pound."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

Mr. WALSH of Massachusetts. Mr. President, let the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. In paragraph 4, page 22, line 1, the Committee on Finance propose to strike out "25 per cent ad valorem" and to insert "11 cents per pound."

Mr. LA FOLLETTE. Mr. President, this proposal of the committee is to change the duty on hexamethylenetetramine from 25 per cent ad valorem to 11 cents a pound. According to the invoice price of 1928 that is equivalent to an ad valorem increase of 40 per cent. The information furnished to the Finance Committee by the Tariff Commission was to the effect that the production in 1927 of hexamethylenetetramine was 1,315,213 pounds, while the imports for 1927 were 3,417 pounds. The ratio of imports to consumption in 1927 of this product was 0.26 of 1 per cent.

As I understand, the committee proposes this increase because of the increase which has been made in the duty on wood alcohol from 12 cents a gallon to 18 cents a gallon. I should like to ask the Senator from Utah whether it is a fact that this is in the nature of a compensatory increase; and if so, whether that compensatory duty has been approved by the experts of the Tariff Commission?

Mr. SMOOT. Mr. President, the actual figures worked out demonstrate that 10.6 cents per pound would be the absolute compensatory rate. The committee made it 11 cents. I have the figures here, if the Senator desires me to read them, but the

actual figures worked out on the basis of duty of 18 cents a gallon for methanol or wood alcohol amounts to 10.6 per pound.

Mr. LA FOLLETTE. I should like to have the Senator put those figures in the RECORD, if he will.

Mr. SMOOT. I will see that they go in the RECORD. If the Senator desires to make the compensatory rate 10 cents a pound I am willing that that should be done, although that would leave a difference of 0.6 of a cent.

Mr. LA FOLLETTE. In this connection, Mr. President, I should like to point out that, according to the Summary of Tariff Information, hexamethylenetetramine is—

a compound of formaldehyde and ammonia, * * *. Prior to the war it was used chiefly in medicine as an intestinal antiseptic. Since then its principal use has been as an accelerator for the vulcanization of rubber.

I shall not resist the committee amendment at this time, because until the rate on wood alcohol shall have been disposed of, this compensatory rate, if it be as the Senator suggests, based on an accurate computation, should be permitted to stand.

Mr. SMOOT. I will say to the Senator when we pass upon wood alcohol, if the rate of 18 cents per gallon shall be decreased, I, myself, will ask that we recur to this paragraph and change the rate to make it conform with the action taken in regard to the duty on wood alcohol.

Mr. HARRISON. Mr. President, may I ask the Senator what the item is which he is now talking about?

Mr. SMOOT. It is hexamethylenetetramine.

Mr. KING. Mr. President, I could not hear my colleague. Does he insist upon the increase from 25 per cent ad valorem to 11 cents a pound?

Mr. SMOOT. The change of the duty from 25 per cent ad valorem to 11 cents a pound is based upon the rate proposed for wood alcohol of 18 cents per gallon, which is an increase on that commodity.

When we reach the wood-alcohol item, if the rate of 18 cents a gallon shall be decreased, I will ask to recur to this paragraph and adjust the rate of 11 cents to whatever may be a proper ratio.

Mr. KING. Mr. President, may I say to my colleague that I will not insist upon a vote upon this amendment at the present time, although I do not think that the relation is such between this item—which I shall not attempt to pronounce—and methanol, or wood alcohol, as to warrant the increase from 25 per cent ad valorem to 11 cents a pound specific, because, as I indicated, the imports declined to 5,000 pounds in 1928. There is a constant decline notwithstanding the increase in the price of methanol resulting from the action of the President. However, in view of what my colleague states, I am willing to let the item be passed for the moment.

Mr. HARRISON. Mr. President, I ask that the amendment may be stated.

The PRESIDING OFFICER. The clerk will again state the amendment.

The CHIEF CLERK. In paragraph 41, page 22, line 1, after the word "hexamethylenetetramine," it is proposed to strike out "25 per cent ad valorem" and insert "11 cents per pound."

The PRESIDING OFFICER. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The PRESIDING OFFICER. The next amendment will be stated.

The CHIEF CLERK. On page 22, line 4, after the word "and," it is proposed to strike out "5 cents" and insert "3½ cents," so as to read:

PAR. 42. Edible gelatin, valued at not less than 40 cents per pound, 20 per cent ad valorem and 3½ cents per pound.

Mr. COPELAND. Mr. President, I find on my desk protests from certain concerns in my State calling attention to the fact that inedible gelatin has not been provided for in a separate paragraph in the bill. On the contrary, it has been provided for with edible gelatin. Is that correct?

Mr. SMOOT. Mr. President, it is almost impossible to determine the line between the two. I do not know whether the Senator has had any experience at all with this commodity, but our Government, and I think every other government, has in the past tried to define the line between the two, but it is, in fact, impossible to do so. So the two have been provided for in this bill as they have been provided for in the bills of the past.

Mr. COPELAND. The manufacturers of edible gelatin—for instance, one at Troy, N. Y.—appear to be satisfied with the rate on edible gelatin, but—

Mr. SMOOT. Let me suggest to the Senator that the letter was probably written to complain about the House provision.

The House increased the rate from $3\frac{1}{2}$ cents a pound and 20 per cent ad valorem to 5 cents a pound and 20 per cent ad valorem. The Senate committee has not agreed to the House provision, but has restored the rate of the present law, namely, $3\frac{1}{2}$ cents a pound and 20 per cent ad valorem.

Mr. COPELAND. I thank the Senator; I am aware of that fact. This correspondent makes recommendation that the rate should be 20 per cent ad valorem and $3\frac{1}{2}$ cents a pound. With that he is satisfied; but here are other persons in my State. For instance, I quote from one who says:

Inedible gelatin such as we import for the manufacture of straw hats, silk sizing, etc., is not manufactured in this country, and any increase in the duty will only have to be borne by the American manufacturers using this product who in turn can only pass on this increase to the American consumer. The duty on this class of gelatin can only be considered as revenue and not as protection for any industry.

I call this suggestion to the Senator's attention:

We therefore suggest that your esteemed body reframe paragraph 42 into three brackets, such as was provided by the Underwood tariff bill, as follows:

1. Glues valued at less than 10 cents per pound.
2. Glue-technical gelatin valued from 10 cents to 40 cents per pound.
3. Glue-technical gelatin valued at more than 40 cents per pound.

And that the rate on bracket 2 for technical gelatin such as is not manufactured in this country be lowered or at least not be increased from its present rate in the Fordney-McCumber bill.

Then another correspondent says:

These inedible gelatins are not produced in this country, consequently the welfare of a domestic industry is not impaired by the imported material, so we appeal to you to use your best endeavors to have this paragraph provide a third bracket as indicated above.

He makes the same recommendations as quoted by me from the previous letter.

Then I have a letter from a photographic concern. Referring to inedible gelatin, they say:

There is comparatively little of this kind of gelatin manufactured in this country, the main sources of supply being France, Germany, and Switzerland. In my opinion the present rate of duty affords ample protection to the domestic manufacturers of photographic gelatin, and I believe that an increase in the rate of duty would work a certain hardship on the manufacturers of films and photographic papers, since it would mean a higher price for the imported gelatin, the quality of which is considered by many as superior and preferable to the domestic products.

Would it not be possible to do, as these correspondents have suggested, and reframe the paragraph so as to eliminate inedible gelatins and put them in a separate paragraph under a lower rate or put them on the free list?

Mr. SMOOT. Mr. President, allow me to read a letter addressed to Hon. Thomas O. Marvin, dated May 14, 1928, in relation to this subject:

Pursuant to the suggestion of the chairman at the hearing, we submit herewith attached the definition of technical gelatin drawn up by American glue manufacturers for the information of the United States Tariff Commission.

This definition reads as follows:

Technical gelatin is a colloidal substance extracted from animal tissue by heat; of a clear white or yellowish color, in sheets or granules, which will form a firm jelly in a solution of 1 part of gelatin to 14 parts of water when placed in a temperature of 10° C. for not less than 10 hours. The solution to be clear or of slight opalescence, and of a value not under 16 cents per pound on a foreign declared valuation. Technical gelatin resembles edible gelatin in appearance and test, but contains heavy metals, acids, or preservatives not permitted in edible gelatin under the pure food laws.

All other nonedible colloidal substances should be classified as glue.

That is not satisfactory to the Tariff Commission. They had this matter under consideration for quite a while. They are working on it now, and we hope to get a definition or a wording that the Tariff Commission will feel justified in recommending to take care of the nonedible gelatin; and I hope, before we finish the consideration of this bill, that that will be arrived at. If so, I shall then ask the Senate to consider it as an amendment to this bill.

Mr. COPELAND. That is a very satisfactory explanation. I know how difficult it is to make these distinctions.

There is a great difference between an edible gelatin and an inedible one. Gelatins are likely to contain poisons which are injurious to the human family; but for technical and manufacturing purposes the gelatin which are utterly unsuited for human consumption may be used with perfect safety.

I am glad to hear the statement of the Senator, which I understand is that this matter is now being considered, and that the Senator hopes, before the bill is finally acted upon, that this information may be brought to the Senate.

Mr. SMOOT. I assure the Senator that if the Tariff Commission can arrive at a definition with which they feel perfectly satisfied, I am going to offer it as an amendment to this bill at the proper time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 42, page 22, line 10, after the word "and," to strike out "8 cents" and insert "7 cents," so as to read:

Gelatin, glue, glue size, and fish glue, not specially provided for, valued at less than 40 cents per pound, 25 per cent ad valorem and 2 cents per pound; valued at 40 cents or more per pound, 25 per cent ad valorem and 7 cents per pound.

The amendment was agreed to.

The next amendment was, on page 22, line 11, after the words "per pound," to strike out "casein glue, agar-agar" and insert "agar-agar, 15 cents per pound and 25 per cent ad valorem; casein glue," so as to read:

Agar-agar, 15 cents per pound and 25 per cent ad valorem; casein glue, pectin, isinglass, and manufactures, wholly or in chief value of gelatin, glue, or glue size, 25 per cent ad valorem.

Mr. BARKLEY. Mr. President, I desire to have the attention of the Senator from Utah.

Agar agar is a commodity used for the manufacture of isinglass. It is made of a seaweed which is imported into the United States. There is no domestic production of it, except that one firm, I believe, in California uses this dried seaweed for the manufacture of isinglass.

The present rate on this importation is 25 per cent, which, based on the price for the commodity in New York in October, 1928, was equivalent to 28 cents a pound tariff, the price being \$1.15.

In addition to the 25 per cent ad valorem, to add 15 cents per pound is an increase of 53 per cent in the present rate of tariff, although under the present rate of tariff the importations have decreased from 483,000 pounds to 397,000 pounds between 1919 and 1928.

I should like to inquire of the Senator from Utah, in view of these facts, what reason there is for increasing this tariff 53 per cent?

Mr. SMOOT. Mr. President, as this product is produced entirely, I was going to say, in California, the Senator from California knows more about the real details of it than I; and I presume he will answer the Senator from Kentucky.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. SMOOT. I yield to the Senator from Mississippi.

Mr. HARRISON. I desire to make a suggestion, so as to expedite the proceedings and save time. Can we not get through with this matter in a certain time, or limit the discussion on it, so that we can get through with it? This amendment may provoke discussion.

Mr. SMOOT. I thank the Senator for bringing that to my attention; and I really would like now, whenever a question comes up, to have the debate limited.

Mr. HARRISON. Can we not limit to five minutes debate on this proposition?

Mr. COUZENS. I object to that, Mr. President.

The PRESIDING OFFICER. Objection is made. The question is on agreeing to the amendment of the committee.

Mr. COUZENS. Mr. President, the least excusable thing the Finance Committee did in the way of advancing rates was in this item.

The Senator from California [Mr. SHORTRIDGE] was the advocate of this monstrous addition to the tariff on agar-agar. There has been no evidence submitted that I can find anywhere to justify this increase.

The Senator from Kentucky [Mr. BARKLEY] has just referred to the Summary of Tariff Information, on page 224, under "agar-agar," showing the circumstances and conditions of import.

There is only one plant in the United States which is making this product, and no figures have been submitted that I have been able to find—at least none were submitted in the committee—to justify this 15 cents per pound specific duty in addition to the 25 per cent ad valorem which the law now provides.

Unless the Senator from California can give us more information than I have been able to secure, there is no justification for the Senate approving this 15 cents per pound specific tax; and

unless there is some submitted I am sure the Senate will not approve this rate. So I am going to leave it to the Senator from California to make his case as to the necessity for this rate.

Mr. SHORTRIDGE. Mr. President, the ordinary procedure would appear to be for the Senator from Michigan to show that the committee was in error in proposing this amendment. Whether or not the Senator heard what was said in committee, or remembers what was said, I do not know; but the committee, I must assume, did not act idly or without some information. The committee added the 15 cents specific duty to the 25 per cent ad valorem, and that amendment is here before the Senate.

Of course, I should much prefer to have the Senator from Michigan proceed and point out, if he can, why this proposed rate is not a clear application of the true American Republican protective-tariff doctrine. I prefer—I think it is the orderly way—to wait to hear from my distinguished friend rather than myself to proceed at this time.

Mr. LA FOLLETTE. Mr. President, I hope the Senator from Michigan will not rise to that bait. All one needs to do is to read the Summary of Tariff Information to make up his mind that this rate is not justified. I hope we may take a vote on it without further debate.

Mr. SHORTRIDGE. Mr. President, I am of opinion that the Senator from Wisconsin knows nothing whatever about the subject—nothing whatever. His ipse dixit and his attitude here upon other matters justify me in thinking and saying that he knows nothing about the problem which is here involved. I question very much whether he ever before heard the word "agar-agar."

Mr. BARKLEY. Mr. President, we have just listened, as we always do, to the remarks of the Senator from California, and if we know nothing about it we are not altogether responsible.

Mr. SHORTRIDGE. I am not accountable for the lack of information of Senators. But, not to lose my composure, I am perfectly willing now to take up the time of the Senate and point out the facts. It can not be done in a moment, and I hesitate to begin because of the hour and the desire of the Senate to make greater speed; but I am willing, if I am now recognized, to seek to justify the rate which the Senate committee fixed on this article.

Mr. President, what is this article which in the bill is spoken of as "agar," but which in the trade and in commerce is known as "agar-agar"? Let me briefly advert to the remark of the Senator from Kentucky.

The American cost of producing a pound of this article, agar, is \$1.70. Applying A, B, C, primary-grade thought to the question of a protective tariff, we find that with the 25 per cent ad valorem and the 15 cents specific duty, we do not meet the difference between the cost of the American article and the foreign Japanese article. In other words, add the ad valorem rate of 25 per cent, or 18 cents, and the 15 cents specific rate to 72 cents, and you have \$1.05. Thus, 72 cents plus 18 cents plus 15 cents equals \$1.05, cost of the Japanese article with tariff added. The cost of American production is \$1.70.

Mr. BARKLEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Kentucky?

Mr. SHORTRIDGE. Yes, sir.

Mr. BARKLEY. I notice—

Mr. SHORTRIDGE. I will yield just for a question. Since I have been forced into this discussion, I propose to show the Senate just what this problem is.

Mr. BARKLEY. I am not so much interested in that as I am in obtaining some information.

I notice in the Summary of Tariff Information that beginning with January, 1920, and ending in October, 1928, the price of this product has ranged all the way from \$1.05 to \$1.52, with the exception that at one time it was 98 cents. I call the Senator's attention to that in view of the fact that he said frequently the price of this commodity was 72 cents.

Mr. SHORTRIDGE. It fluctuates, of course.

Mr. BARKLEY. It has not been fluctuating down in that neighborhood.

Mr. SHORTRIDGE. The import price in 1928 was 72 cents; and it is selling in New York now, I understand, according to the information from the Tariff Commission, at \$1.15.

Whether we take the 72 cents, or the \$1.15, those who will merely make a little mathematical calculation will find that the 15 cents specific duty plus the 25 per cent ad valorem will not equal the difference between the American and the Japanese cost of production.

I hold in my hand, Mr. President, a document issued by the United States Department of Commerce, one of the Commerce Reports, it being a weekly survey of foreign trade. It is under the immediate directorship of Dr. Julius Klein. I will trouble

the Senate, perhaps, by reading a few paragraphs from this authoritative statement as to the method of manufacturing agar-agar in Japan.

Before doing so, I wish the Senate would bear in mind that this is a question of competition in respect of this article as between Japan and the United States, immediately as between Japan and the American Agar Co., which has built, at an expense of over \$600,000, a factory in the city of San Diego, Calif., for the manufacture of this particular article known in the trade as agar-agar.

I wish to remind Senators that this article is made from seaweed. It so happens that this species of seaweed grows in great abundance around about the island of Japan. It so happens, further, that the same species of seaweed grows in the waters of the Pacific which wash the southern counties of California.

This seaweed is of a peculiar type. It replenishes itself rapidly. It seems to be permanent in its nature, and, in a sense, is harvested, gathered, brought ashore, and then, through certain processes this article, known as agar-agar, is the result. I read from this publication:

Agar-agar, sometimes called Japanese gelatin or vegetable isinglass, is a glutinous substance made from certain of the cartilaginous species of seaweeds. The term "agar-agar" apparently is derived from a Malay word meaning "vegetable." In Japanese it is known as "kanten," the equivalent of "cold sky," presumably because cold, clear weather is necessary for its production.

That is, when produced under the primitive methods followed in Japan, but we here now, through scientific process, bring about the same product, chemically pure in every respect, equal, if not superior, to the article which comes from Japan.

Up to comparatively recently the people of Japan were the only ones who manufactured or produced this article, and the United States purchases practically one-third of the production, some have estimated in certain years one-fifth of the production, so that the United States is a great market for this product, which, for the moment, I speak of as a Japanese product.

We have before us this proposition, and no one, however clever, ingenious, or imaginative, can get away from this proposition. Shall this agar, a useful article, be made in the United States by American citizens, or shall it be made in Japan? Shall we develop the American industry, or let it perish? Shall we encourage American labor and the legitimate use of American capital, or shall we turn and continue to be dependent upon Japan? That is the question.

The manufacture of the best grades of agar-agar requires freezing temperatures at night and bright sunlight during the day in order to carry out the bleaching process.

This recalls to me the discussion carried on yesterday in regard to casein, the product of skimmed milk, and the Argentine method, the primitive, the outdoor method, and the American, indoor, scientific, chemically pure method. So the Japanese pursue the primitive, the old, ancient method, which is, in a word, the gathering of this seaweed, carrying it back into the remote villages in the mountains, and there, by primitive process, bringing out of the seaweed the article we have in mind, agar-agar.

The right combination of cold nights and bright sunlit days is found in the mountains back of Kobe. The agar-agar factories, consequently, are situated in the little mountain valleys, where they have the additional advantage of employing farm labor, which is available during the three winter months.

Think of the price of labor in Japan as compared to the price paid to skilled and unskilled labor in California. What can be done in California can be done elsewhere, for the seaweed itself might well be transported to other States, and then passed through the processes necessary for the production of this particular article.

Mr. President, it may be interesting to have this entire article in the RECORD, and I ask to have it printed in full.

The PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

METHODS OF MANUFACTURING AGAR-AGAR IN JAPAN—UNITED STATES TAKES ONE-FIFTH OF THE EXPORTS OF JAPANESE AGAR-AGAR

Consul E. R. Dickover, Kobe

Agar-agar, sometimes called Japanese gelatin or vegetable isinglass, is a glutinous substance made from certain of the cartilaginous species of seaweeds. The term "agar-agar" apparently is derived from a Malay word meaning "vegetable." In Japanese it is known as "kanten," equivalent of "cold sky," presumably because cold, clear weather is necessary for its production. A variety of agar-agar produced in Japan is sometimes called "tokoroten," the Chinese characters used in writing this word meaning "big heart." "Kanten" is the ordinary

commercial grade of agar-agar, but there is also another product, "funori," an algae-glue, which is used in certain kinds of work as a glue or sizing.

The highest grade of Japanese agar-agar (No. 1) is sent to China, where it is in demand as a food, chiefly as a basis for soups. The lower grades, used industrially as a sizing for textiles and in the manufacture of candy, foodstuffs, medicinal preparations, and other products, are sent to Europe and America.

MARKETED IN STRIPS—VARIETY OF SEaweEDS

Agar-agar comes on the market in shriveled strips about 11 inches long and an eighth of an inch square. The colors vary from almost a pure white to a dark amber. The lighter colors constitute the better grades, although the chemical components of the different grades are the same. Agar-agar has no odor and is practically tasteless.

There are a number of varieties of the algae or seaweeds from which agar-agar is made. These are found and used for the manufacture of agar-agar principally in the Malay Archipelago and along the coasts of China and Japan, although, in recent years, the seaweed growing in abundance along the California coast has been used in the manufacture of agar-agar in that State. In Japan, after gathering the seaweeds, they are sent inland to the manufacturing villages located in the mountains back of Kobe. There are no roads suitable for motors and the seaweed, fuel, and supplies are hauled in ox-drawn carts.

FREEZING NIGHTS AND SUNLIT DAYS REQUIRED

The manufacture of the best grades of agar-agar requires freezing temperatures at night and bright sunlight during the day in order to carry out the bleaching process.

The right combination of cold nights and bright sunlit days is found in the mountains back of Kobe. The agar-agar factories, consequently, are situated in the little mountain valleys, where they have the additional advantage of employing farm labor, which is available during the three winter months.

INDUSTRY'S METHODS PRIMITIVE BUT EFFECTIVE

A factory site covers about five acres of land, of which nine-tenths or more is occupied by the bleaching racks. The cooking of the seaweeds usually takes place in a long, low, poorly lighted building constructed of rough timber, with mud-and-wattle sides and tile roofs, as shown in the illustration. At one end is a chimney, with the furnace at the opposite end and the flue running beneath the earthen floor in such a manner as to heat five or six kettles at a time. In front of each kettle are a rude strainer and press. These articles and the shallow boxes in which the agar-agar congeals, the racks and mats on which the strips are bleached, and a few tools form the equipment of a factory. The outfit, although primitive, is remarkably effective in the well-trained hands of the Japanese workers.

HOME PRODUCTION LARGE

In addition to the factory production large quantities of agar-agar are manufactured by the farmers in their homes during the nonfarming season. The seaweeds are supplied to the farmers by wholesalers in Nishinomiya, who take the finished product and pay the farmer for his labor and fuel. In this way the farmer takes no risk of a falling market wiping out his winter's profit.

The seaweeds are carried to the villages toward the end of the summer, usually by the farmers as return loads after conveying their produce to market. The first process, cleansing and bleaching the seaweed, consists of placing a mass in a large stone mortar, in which a wooden pestle, usually driven by a water wheel, rises and falls in much the same way as in polishing rice.

After the pounding, the seaweeds are thoroughly washed in running water and then spread on mats and dried for 10 days or more. If not clean and white enough, they are washed and dried again until all foreign matter has been removed and the seaweeds bleached nearly white. This takes place in September and October.

COOKING STARTS IN LATE DECEMBER

The cooking of the algae and manufacture of agar-agar starts in late December after the nights have become frosty. The kettles in which the algae are cooked are half sunk into the earthen floor, and, while the seaweeds are cooking, the kettles are wrapped and covered with straw mats to conserve the heat. Pine wood, in logs 4 or 5 feet long, is the usual fuel, but some factories are now using coal and coke.

About sundown each day, water is run into the kettles until they are a half or two-thirds full. This water, in two or three hours, is brought to the boiling point and the kettle then packed full of the seaweeds, in a mixture of the different varieties which has been found by experience to produce the best agar-agar. The mixture is allowed to simmer for 20 hours, by which time the soluble parts of the seaweeds are dissolved in the hot water.

FILTRATION PROCESS CRUDE

In front of each kettle is a crude filter, composed of a wooden box, the bottom and front of which are made of wooden slats, as shown in the illustration. When the solution in the kettle has attained the proper consistency, it is dipped out with a large ladle at the end of a long pole and poured through a hemp mesh bag hung on four uprights

fitted to the corners of the box. The insoluble and fibrous parts of the seaweeds are separated by a crude method of filtration.

The filtered agar-agar solution is dipped from the wooden trough with a large square wooden measure and poured into shallow wooden boxes about 3 feet by 15 inches. When filled, these trays are exposed to the frost in the open air for two or three nights until the solution congeals. After congealing, it is cut into bricks about 2 by 3 by 15 inches in size, by means of knives guided with rulers.

STRIPS FORMED BY PUMPING PROCESS

The next operation consists in converting the agar-agar into the slender strips in which form it is sold abroad. A wooden pump, with a square chamber the size of a brick of jelly, a wire netting over the lower end, and the upper end open, is used. The brick of jelly is placed in the chamber of the pump, the plunger pressed down on top, and the jelly forced through the wire netting, forming strips about three-eighths of an inch square and 15 inches long. A crew of three men is needed—one to operate the pump, one to feed it with bricks of jelly, and one to lay mats and spread out the strips.

The agar-agar is pumped out on rush mats spread over low racks in the open air, as illustrated. Forced through the wire netting, the strips emerge in a mass and must be spread out to bleach and dry on the rush mats for two weeks or more, freezing at night and drying by day. To assist in the bleaching process, water is sprinkled over the strips at sundown. When bleached, they are creamy white and about an eighth of an inch square in cross section and 11 inches long. An illustration shows the agar-agar on the rush mats and coated with ice before the sun has thawed it. The success or failure of the freezing and drying process determines the quality of the product.

UNITED STATES TAKES ONE-FIFTH OF JAPAN'S AGAR-AGAR EXPORTS

After bleaching and drying the agar-agar is stored in a warehouse until it can be baled and carted to Kobe and Nishinomiya for shipment to foreign countries. During the past five years exports have aggregated 2,500,000 pounds. Very nearly one-half of the total export of agar-agar from Japan is destined for China, Hong Kong, British India, and other far-eastern countries, and one-fifth is taken by the United States.

Agar-agar has become an increasingly important commodity as new uses have been discovered, not only in the United States but throughout the world. Because of this increase in consumption, and notwithstanding the growth in the production of agar-agar in California, imports into the United States have advanced to over 450,000 pounds annually. With modern machinery and dehydrating processes, however, the Californian industry is likely eventually to offer important competition to the Japanese, if they continue to use the age-old process.

Mr. SHORTRIDGE. Mr. President, compare the equipment in Japan with an up-to-date, modern American factory, whether it be in the splendid city of Detroit or in the splendid city of San Diego, Calif. Compare the primitive, the century-old method referred to in Japan with the up-to-date, modern, well-equipped, chemically pure factory method in America.

Compare for a moment, in respect to this article and this industry, the wages paid to union labor or to nonunion labor, to skilled labor or to unskilled labor, in the United States engaged in this work and the wages paid in Japan.

Mr. HARRISON. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. HARRISON. Is there just one institution in California engaged in making this article?

Mr. SHORTRIDGE. Just one.

Mr. HARRISON. How long has it been established there?

Mr. SHORTRIDGE. About four or five years.

Mr. HARRISON. It was established after the enactment of the Fordney-McCumber law in 1922?

Mr. SHORTRIDGE. Just about that time.

Mr. HARRISON. Did those interested appear before the committee and ask for an increase?

Mr. SHORTRIDGE. Before our committee?

Mr. HARRISON. Yes.

Mr. SHORTRIDGE. Yes; through written communications, letters, briefs.

Mr. HARRISON. They request this increase?

Mr. SHORTRIDGE. Yes; I have all the data here, and I will lay them before the Senate.

Mr. HARRISON. Is this concern, so far as the Senator knows, prosperous or is it losing money?

Mr. SHORTRIDGE. It is not prosperous, it is losing money, and unless they get relief, I do not see how their industry can survive. They have spent in the building and equipment of their factory something over \$800,000, and if this protection is granted, as they tell us, and upon their written statement I am relying, they will be able to increase their output from about 500 pounds a day to 1,000 to 1,500 pounds a day and reduce the price to the consumer.

Mr. SIMMONS. What is the consumption in the United States?

Mr. SHORTRIDGE. The expert from the department, Mr. Watson, hands me this book, summary of chemicals, and as to agar-agar, sometimes called Japanese isinglass, it is said that the imports are largely from Singapore. The import statistics for 1919 show that there were 483,397 pounds imported; in 1920, in round figures for brevity, 271,000 pounds; in 1921, 309,000 pounds; from January 1 to September 21, 1922, nearly 234,000 pounds; for the year 1923 there were 391,824 pounds; for 1924 there were 404,640 pounds; for 1925 there were 501,226 pounds; for 1926 there were 485,832 pounds; for 1927 there were 300,250 pounds; and for 1928 there were 397,268 pounds. For the first six months of 1929 there were 258,744 pounds imported.

Mr. SIMMONS. What is the duty under the present law?

Mr. SHORTRIDGE. Twenty-five per cent.

Mr. SIMMONS. And imports have increased since that duty was placed upon it. The imports according to the Senator's figures are very much larger now than before the duty was imposed.

Mr. SHORTRIDGE. It will be observed that imports varied. In 1919 there were 483,397 pounds.

Mr. SIMMONS. And in 1922, when the duty was imposed, what was the amount?

Mr. SHORTRIDGE. In 1922, for the period covered, there were, in round figures, 300,000 imported.

Mr. SIMMONS. And for the first six months of this year nearly that amount?

Mr. SHORTRIDGE. Two hundred and fifty eight thousand seven hundred and forty-four pounds.

Mr. SIMMONS. So the duty imposed has not resulted in decreasing the importations, but it has rather resulted in an increase?

Mr. SHORTRIDGE. The figures do not lie. I follow the Senator's thought. For the first six months of 1929 there were 258,744 pounds. That would make over a half a million pounds for the year.

Mr. SIMMONS. During that period of time how much have we been producing in this country?

Mr. SHORTRIDGE. I will show that in a moment.

Mr. FLETCHER. The Senator has not answered the question about consumption.

Mr. SIMMONS. I asked for the domestic consumption and the Senator gave the importations. I would like to know how much is produced in this country.

Mr. SHORTRIDGE. I have the figures and will give them in the course of my remarks. But let us carry this figure in our minds: If the imports continue during the remainder of this year they will amount to 500,000 pounds.

Mr. SIMMONS. About half a million pounds.

Mr. SHORTRIDGE. Yes. There were 258,000 pounds for the first six months, which would be a little more than 500,000 pounds for the year.

Mr. SIMMONS. Now, let us have the domestic production.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New York?

Mr. SHORTRIDGE. I yield.

Mr. COPELAND. I did not hear the Senator state the amount produced in the California plant.

Mr. SHORTRIDGE. I have those figures.

Mr. COPELAND. Has the Senator given them?

Mr. SHORTRIDGE. I have not as yet.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. Certainly.

Mr. COUZENS. I would like to suggest to the Senator from North Carolina [Mr. SIMMONS] that the imports have not changed materially. In 1925 they were over half a million pounds and they have been less ever since. The figures for 1929, if carried out, show that the imports will be about the same as they were in 1925.

Mr. SHORTRIDGE. Namely, 500,000 pounds.

Mr. COUZENS. Yes.

Mr. SIMMONS. But they are higher than they were at the time the duty was imposed.

Mr. SHORTRIDGE. Yes.

Mr. COUZENS. Not every year, but some years.

Mr. SIMMONS. I agree with that, but they would probably average higher.

Mr. COUZENS. No. For instance, two years before the 1922 act went into effect they were higher than in many of the years since the act went into effect.

Mr. SHORTRIDGE. The question finally comes back to this, of course: Shall we take advantage of the gift of nature, namely, the seaweed which grows there in great abundance along the southern shores of California, and make this article, employing legitimate American capital, giving employment to American skilled and unskilled labor, or shall we continue to import the

article from Japan? My position is that if given ample protection it can be produced in the United States, and I hope to be able to make it plain that if these people are permitted to go forward and increase their factory there they will be able to produce it and sell it at a profit and at a less figure than the American people are now paying for the article.

Mr. SIMMONS. Can not the Senator tell us how much that one factory in his State is producing?

Mr. SHORTRIDGE. I told the Senator that I would and I will. I did not anticipate this matter coming up immediately, and therefore I am not able to put my hand on the exact figures at the instant.

Mr. HARRISON. Mr. President, while the Senator is having that looked up will he please explain to the Senate, he having stated that this article will probably be reduced in price to the American consumer by virtue of the increased tariff rate, why it was that in 1920 and 1922 the price of the article in the United States was 52 to 88 cents a pound and has increased now to \$1.15 a pound and has gone as high as \$1.35 a pound?

Mr. SHORTRIDGE. I will approach the matter now in this manner. I wish to read to the Senate a letter addressed to me as of July 26, 1929, by the American Agar Co., manufacturers of vegetable gelatin products, San Diego, Calif.:

In response to your wire of the 25th, received this morning, we submit herewith the following information:

Since commencing operation in 1925, American agar has cost \$1.70 to \$1.75 per pound to manufacture at this plant.

I remarked and I repeat, as will be seen later on when the facts are given, that at a cost of some \$600,000 this plant was set up.

Our plant capacity at the present time is approximately 500 pounds of the finished agar per day. With a little additional equipment and certain minor alterations the capacity could be doubled or probably trebled if we had the sales outlet. With increased capacity our production cost could be reduced to \$1 per pound, and doubtless in time even this could be bettered, based on a continuous run of 300 days per year.

Thoughtful Senators will appreciate the truth of that statement. They have a capacity of 500 pounds per day and with additional facilities they say they can double their capacity. In consequence they can produce it at a lesser cost, and they estimate it at \$1. When that shall be brought about it will be found that the cost of the article to the American consumer will be far less than it is to-day.

The ground agar is much in demand in this country, and in physical appearance American agar is better than the imported in that it is more uniformly ground.

Mr. SIMMONS. What is the cost of production in Japan?

Mr. SHORTRIDGE. I should say scarcely one-half the cost of production in this country.

Mr. SIMMONS. What is the price of the foreign article?

Mr. SHORTRIDGE. The monopoly which had been had in this article and which was an unquestioned monopoly—

Mr. SIMMONS. In this country?

Mr. SHORTRIDGE. There is one great purchaser, Parke Davis, with possibly other concerns; but Japan had a monopoly in this trade. I know of no other way to account for the price except by that fact.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. With pleasure.

Mr. COPELAND. Why do not Parke Davis buy the California product?

Mr. SHORTRIDGE. I answer the Senator immediately by stating that I have read all of the articles and all of the correspondence, and I do not know what trade relations exist between the Japanese and Parke Davis. There are different varieties of this article, as the Senator knows. They can be produced by this factory in a satisfactory form. Parke Davis, this great concern which is amply otherwise protected, is here opposing this rate. That I know.

Mr. HARRISON. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Mississippi?

Mr. SHORTRIDGE. I yield.

Mr. HARRISON. I take it that this product being handled by Parke Davis has medicinal qualities? I refer to agar-agar.

Mr. SHORTRIDGE. Certainly it is medicinal in its character.

Mr. HARRISON. And used in general by the people?

Mr. SHORTRIDGE. Unquestionably.

Mr. HARRISON. I shall not ask the Senator to describe its use.

Mr. SHORTRIDGE. The Senator from New York [Mr. COPELAND] is better qualified to tell of the virtues of this par-

ticular medicine. As I am standing here looking into the faces of men who think, I undertake to prophesy that if the American factory is permitted to go forward and develop it will produce in quantity and in quality this article, which will be sold cheaper than it is to-day and far cheaper than it was when we were dependent entirely upon Japan. That holds good in regard to many of our chemical and dye products. Before the late World War we were dependent upon Germany and Switzerland for our dyes and chemicals. We have developed an American chemical and dye industry and note the difference in prices.

Mr. SIMMONS. I understood the Senator from Mississippi, who seems to have been giving some thought and study to the question, to state that the price of the product has been enormously increased since the factory was established in California.

Mr. SHORTRIDGE. I do not accept it as a fact by any means.

Mr. COPELAND. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from New York?

Mr. SHORTRIDGE. Certainly.

Mr. COPELAND. I simply want to ask this question in all seriousness: What other uses are there for this product besides the medicinal use and the laboratory use? Are there other uses for it?

Mr. SHORTRIDGE. The great and principal use is in the laboratory for medicinal purposes. I have here a statement by very learned men which I shall read in a few moments.

Mr. COPELAND. Mr. President, I should like to know if there are other uses than the two I have named—laboratory and medicinal?

Mr. SHORTRIDGE. Those are the ones that most concern us.

Mr. FLETCHER. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Florida?

Mr. SHORTRIDGE. Certainly.

Mr. FLETCHER. I want to see if I understand the Senator. Did he say that it costs the factory referred to by him about \$1 a pound to make this product?

Mr. SHORTRIDGE. I stated that it cost about \$1.70 a pound.

Mr. FLETCHER. It costs the factory now that amount to make it?

Mr. SHORTRIDGE. Yes, sir.

Mr. FLETCHER. Then how can they expect to sell it for less than a dollar, which, as I understand, is now the price on the market?

Mr. SHORTRIDGE. I will show the Senator what has been done and the situation that now confronts us.

Mr. FLETCHER. If it costs \$1.70 a pound, they will have to charge a price of somewhere around \$2 a pound in order to make a profit.

Mr. SHORTRIDGE. I stated a moment ago—I do not know that the Senator heard me—that if they increased their capacity from 500 pounds a day to 1,000 or 1,500 pounds a day this one company will be able to produce this article at a cost of \$1 a pound.

The ground agar is most in demand in this country and in physical appearance American agar is better than the imported in that it is more uniformly ground. Ground American agar has about the same physical texture as the imported, but has the advantage of going into solution more rapidly.

Flake American agar is more fluffy than the imported. Some users prefer this. Those firms who have been using Japanese agar have their containers made to accommodate the Japanese, consequently on account of American agar occupying twice the bulk of the Japanese agar in flake form this does present disadvantages, which have resulted in a certain amount of sales resistance, but if it became absolutely necessary to produce denser agar, we could adapt our manufacturing process to do this.

However, we believe it would not be a difficult matter to persuade the dealers—

The big medical companies—

to provide new containers for American agar if we could give them the assurance that this company could deliver agar continuously and at the right price, as American agar, on account of its fluffiness, is more palatable than the imported agar.

American agar is unbleached and of the true agar tint, which is slightly gray, whereas the Japanese agar, being bleached, is whiter, but the resultant jelly (in which form agar is most generally used) shows American agar to give a clearer jelly than the imported.

For your ready reference, we are attaching hereto tabulated comparisons of Japanese and American agar, statistics, and copies of

unsolicited testimonials. We would respectfully ask that the names be treated as confidential.

Inasmuch as agar is classified by our Government as an essential industry, and inasmuch as our Pacific coast offers natural resources in providing the sea fern from which agar is derived, which as an economic measure should be utilized, we sincerely hope that the facts we have presented will influence the tariff division favorably to consider our brief.

Very truly yours,

AMERICAN AGAR CO.,
H. D. MACKINNON,

Vice President and General Manager.

Mr. President, attached to this letter is an analysis of the problem. I will try to make it plain to those who listen. It is headed, "Characteristics," and under that term are listed color, form, texture, manufacture, supply, price in jelly form, and for bacteriological use. Under another column are the figures as to Japanese agar, No. 1 best grade, and in the last column the facts in respect to American agar, uniform quality.

Under "Japanese agar," as to color it is white; as to form, shred, flake, and ground; as to texture, dense. It requires preparatory soaking before putting into solution.

As to manufacture, in Japan it is made in the open, subject to dust, impurities, and contaminations; made by crude, primitive methods during the winter months.

As to supply in Japan, it is dependent upon climatic conditions.

As to price, it is subject to fluctuation.

As to jelly form, it is slightly opaque and contains fiber, sediment, and sand.

As to bacteriological use, Japanese agar, on account of the shred form being used, permits of easier washing than the American agar.

In respect to those several points or elements of the problem, the American agar in color is slightly gray; in form, flake (large and small), ground, and bolted; in texture, it is light and fluffy; it is more palatable and goes into solution readily.

As to manufacture—and bear in mind the primitive methods in Japan—it is manufactured in a closed sanitary, modern, American factory; it is untouched by human hands; it is under chemical control; it is twice filtered and washed and clarified.

As to supply, the Japanese being fluctuating, dependent upon climatic and other conditions, in America the supply is constant, and the factory is located adjacent to the perpetual source of the raw material.

As to price, the price of the Japanese article fluctuates because of changing conditions and changing production, but in the American factory, with a constant supply, the price will be standardized, as I said, and I repeat the price will be less than when we are dependent upon the foreigner.

As to its bacteriological uses it is submitted to the Senate that on account of its purity the American agar does not require the same amount of washing and incidental expense.

So, comparing the product of agar, the one manufactured or produced in Japan in the manner indicated and the same article produced here in factories up to date, modern, with skilled scientific men in charge, handled with every regard to sanitary precautions, in a chemically pure process of manufacture, there can be no question as to which is the better; no question as to which will be more standardized in quality, no question as to the standardizing of the quantity, and no question as to the standardizing of the prices to be paid.

Mr. COPELAND. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from New York?

Mr. SHORTRIDGE. With pleasure.

Mr. COPELAND. I have not heard the Senator state the quantity of this commodity which is produced in California.

Mr. SHORTRIDGE. I will come to that in due season. I have stated again and again the quantity of importations.

Mr. SIMMONS. Mr. President, the Senator stated the capacity of the mill to which he referred, but he did not state what the mill had actually produced.

Mr. SHORTRIDGE. I am very well aware of that, and I have it now before me.

Mr. SIMMONS. I thank the Senator.

Mr. SHORTRIDGE. The Senator from North Carolina is always courteous; I know he is seeking light, and in my own poor, humble, stumbling way I have sought to give the facts in what I thought was their logical order.

Mr. SIMMONS. The Senator depreciates himself; he never stumbles; he is always direct.

Mr. SHORTRIDGE. I thank the Senator.

From this table we see the characteristics of the article—the color, form, texture, manufacture, supply, and price in jelly

form and for bacteriological purposes of the Japanese article as contrasted with the American product.

Now, responding to a question put as to the fluctuating prices of this article, I have here what I assume to be correct figures. There are three columns, first the year and then the high price and the low price are given. For the year 1919 the high price was \$1.20 and the low price 86 cents; in 1920 the high price was 85 cents and the low price 61 cents; in 1921 the high price was 72 cents and the low price 57 cents; in 1922 the high price was \$1.67½ and the low price 77 cents; in 1923 the high price was \$1.87½ and the low price \$1.50; in 1924 the high price was \$1.60 and the low price \$1.50; in 1925 the high price was \$1.78 and the low price \$1.34; in 1926 the high price was \$1.32 and the low price \$1.10; in 1927 the high price was \$1.10 and the low price 97 cents; in 1928 the high price was \$1.35 and the low price 98 cents.

These are the quotations appearing in the Oil, Paint, and Drug Reporter, the recognized authority on the market prices of agar. Naturally the importers buy at considerably under these figures. In fact, in going over with one large importer the figures over a period of years, they claimed that the maximum price they ever paid was \$1.10, duty paid, delivered to the factory in this country, and that only on one occasion had this price been paid. The rest of the time they purchased at considerably under \$1.

Those are the prices.

The question was asked as to the output of the American Agar Co.'s factory at San Diego, Calif.

Factory output: Five hundred pounds per day; cost, \$1.70 to \$1.75 per pound.

One thousand pounds per day (estimated), \$1.10 per pound.

With 500 pounds per day—I repeat this, and I hope and I am sure Senators will remember this fact—with 500 pounds per day it costs them from \$1.70 to \$1.75 a pound. They say that by increasing their facilities in a mechanical way they can produce 1,000 pounds per day, at a cost of \$1.10 per pound. They estimate that by producing 1,500 pounds a day they can produce it at \$1 per pound.

Now, as to the output of this factory yonder:

In 1925 they were able to operate 10 months of the year. They produced 117,773 pounds in the 10 months. In 1926 they were able to run only four months, and during those four months they produced 29,877 pounds. In 1927 they were closed. The figures here show that for the five months of 1928 they produced 22,796 pounds.

Senators will recall the imports of 400,000 pounds, and for the first six months of this year more than 258,000 pounds; so that, assuming the continuation of imports at the same ratio, there will be probably 500,000 pounds imported from Japan during this year of our Lord 1929.

Again I pause to ask Senators on both, if there be two sides to this Chamber, to ask American Senators who want to build up American industries, give employment to capital, and give employment to labor, is it not better for us to manufacture this article in America from the American seaweed than to purchase it from Japan? Of course, I am thinking for the moment of the producer; but I must think, as you think, of the consumer. I could not stand here and argue in favor of a high—if it be so—tariff rate if the result would be to impose an undue burden upon the consumer. I should be so embarrassed as to be driven to silence.

What I am contending for in respect of this article is this: Nature has given us what I may call the raw material. There is the seaweed, growing there out beyond those golden sands, inexhaustible, rapidly reproducing itself, harvested as you harvest your grain on the prairie. There it is, and the genius of man converts it into this article of great benefit to man. Americans have erected this factory at great cost. They harvest this seaweed. They convert it into this article; and they are brought into competition with the product of Japan.

I am not thinking of injuring Japan; but I want our people to continue in the manufacture of this article, employing legitimately American capital, giving employment to American men and women, skilled and unskilled, and thereby adding to the general welfare. This company tells us it can produce it if given a continuous market, the American market, if they are not driven out of business by the competition from Japan.

Mr. VANDENBERG. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Michigan?

Mr. SHORTRIDGE. With pleasure.

Mr. VANDENBERG. Do the Senator's figures indicate how much labor is employed, and how much of this production cost represents labor cost?

Mr. SHORTRIDGE. I do not know the exact number employed by the company, but ordinarily the cost of labor is, of course, a very important element in the 100 per cent cost of a product.

Mr. VANDENBERG. How much labor is involved in this? This might be almost wholly a natural product, might it not?

Mr. SHORTRIDGE. But it is not.

Mr. VANDENBERG. That is what I am inquiring.

Mr. SHORTRIDGE. Of course, it is not a natural product.

Mr. VANDENBERG. Does the Senator know how many employees are at work in this factory?

Mr. SHORTRIDGE. I have not the exact number before me at this moment, Mr. President; but, of course, scientific methods nowadays have done away with many human hands. But the processes here will be gone into, and the number of men employed in this particular factory.

Our initial cost, the cost of labor together with all the elements of cost that go into the manufacture, are such that we can not produce this article and compete with the Japanese without a certain tariff. The only question, then, in my mind is, What is a proper tariff protection? Is it 25 per cent ad valorem? Is it that plus 5 cents, 10 cents, 11, 12, 13, 14, or 15 cents specific? That is the question.

Of course, if there be those who do not believe in this theory they might well say, "Let us buy where we can buy the cheapest. If Japan can manufacture cheaper than we can manufacture, let us not engage in that business. Let us purchase from Japan;" and there are thoughtful men, doubtless, who in some degree hold to that theory. But I can well remember a very earnest, a very thoughtful, and to some a very persuasive, if not convincing, argument made by the Senator from North Carolina [Mr. SIMMONS] to the effect that he and many for whom he was speaking believed in what might be termed a "competitive tariff," arguing that there were others who believed in what might prove to be a "prohibitive tariff." Even if we adopt the doctrine of a competitive tariff as wise economically, then as to this particular article there should be a certain tariff, and we are saying that 25 cents ad valorem is altogether insufficient.

I have just suggested that if we are to have even a tariff competitive in its nature, 25 per cent ad valorem, according to all the facts presented by gentlemen engaged in the business, is not sufficient; wherefore they are asking for an added specific rate, and upon facts submitted the committee recommended 15 cents. A close study, a close analysis might persuade Senators that 15 cents was a little too much, and hence they might not favor it. Applying the doctrine of a competitive tariff they might say that 10 cents was sufficient, or 12, or intermediate figures. If there be doubt the benefit of the doubt should be given to the American manufacturer.

I do not know whether or not the occasion will arise during the consideration of this tariff bill; but if it develops that there is a factory in Georgia or an industry in North Carolina which needs and asks tariff protection, I will apply the same doctrine as I seek to apply to this American industry, and I think I would go a little farther than the learned gentlemen speaking for those States; for I believe in an almost prohibitive tariff if it is necessary to develop or sustain an American industry.

Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER (Mr. WALCOTT in the chair). Does the Senator from California yield to the Senator from North Carolina?

Mr. SHORTRIDGE. Gladly.

Mr. SIMMONS. When did I understand the Senator from California to say that this plant was erected and began operation?

Mr. SHORTRIDGE. In 1925, I believe.

Mr. SIMMONS. That was since the passage of the Fordney-McCumber law?

Mr. SHORTRIDGE. Yes, Mr. President.

Mr. SIMMONS. Before the passage of the Fordney-McCumber law, before this factory was established in this country, when the Japanese had the entire market and therefore may be said to have had a monopoly, the spot price in New York, according to the report of the Tariff Commission, from January, 1920, to April, 1922, ranged from 52 to 85 cents a pound. So that the present Japanese competitor at that time had no competition at all in this market, and he was selling these goods to us for from 52 to 85 cents.

In 1922 a duty was placed on the article, and since that date it has been selling at very high prices, at one time as high as \$1.80 a pound, and it was selling when this Tariff Commission report was made up, in the spot market of New York, at \$1.15 a pound. That is the result of the establishment of this factory and the tariff duty we have placed upon the article, and

not because the Japanese have a monopoly in this market, because when they did have an unquestioned monopoly in the market, when there was not a pound of the article produced in this country, they sold it to us for from 50 to 85 cents a pound.

Mr. SHORTRIDGE. They may well have done so, for a very easily explained reason—they were obliged to get rid of it to one or two concerns in America which controlled the price.

Mr. SIMMONS. Has the Senator any evidence as to what the cost of producing this article in Japan is? The Tariff Commission furnishes us no evidence, except that when they had control of this market they sold it freely to our people for 52 cents a pound.

Mr. SHORTRIDGE. I think there are reasons accounting for that. I do not attribute the high price to the 25 per cent ad valorem, because if we gave the full ad valorem and added the duty to the earlier price it would not equal the amount suggested.

The question arises in connection with this problem, What would be the effect of a change of duty on agar, if removed, if maintained, if increased? Those three questions have been answered in the following manner:

If removed, Japan could dictate the price, as they have a monopoly of the industry; but I bear in mind the remarks of the Senator just made. They would have a monopoly, but it does not follow that they could charge whatever they choose to charge, because the market might not respond to any great advance of demanded price.

Mr. SIMMONS. That would depend upon whether there was a demand for it.

Mr. SHORTRIDGE. Precisely. Evidently, may I reply to my friend, there is a demand. There are imported annually 500,000 pounds, and just how much goes to the Parke Davis people, who are the ones who appeared, through briefs, in opposition to any increase, I do not know. But there is a demand for this article as useful for purposes stated.

If the duty were removed, Japan would not guarantee that agar would be permanently cheaper, as Japan's production is dependent on climatic conditions, and therefore everything is subject to wide fluctuation in price.

I stated a moment ago that this agar in Japan is made in a primitive fashion, in the villages up in the mountain fastness, one might say, by men, women, and children, and it is very difficult, almost impossible, for the Tariff Commission to ascertain the initial cost price. It is comparatively easy to ascertain the cost price in the United States, because we have the capital, we have the factory built, we have the labor, we have the wages of labor, we have all the elements of cost, which can be ascertained, and added up, and a sum total reached. But it is almost impossible to get accurately at the cost of production in Japan.

Japan could so regulate the price in the United States as to make the manufacture of American agar unprofitable. That can be done. They can do it. They can put us out of business.

If Japan controlled the situation, no improvement in quality could be expected, as Japanese agar is made by primitive methods and by numerous small farmers, and grading is accomplished by merchants who select by appearance and color only.

If this rate is maintained, American agar could continue to function but in an unsatisfactory manner, as the amount of business that could be expected would be largely governed by the price of the Japanese article.

When Japanese prices, due to climatic or other reasons, advance, American agar would be called upon to furnish samples and quotations and give tests and information, with no certainty of orders, as those buyers who buy on price only would favor Japanese agar at the same price or even higher, believing from past experience that the Japanese would decline at some time in the future.

If we increased the rate, American agar would be assured of a large volume of business and could contract users at a definite figure on a yearly basis.

Again, American agar would not expect to advance in price in line with the duty increase but would hope, by stabilizing the price, to secure that volume of business which would enable them to reduce manufacturing costs.

A larger volume of business is what American agar needs to reduce manufacturing and selling costs.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. SHORTRIDGE. I yield.

Mr. COPELAND. Would not the duty have to be made practically prohibitive in order to accomplish what the Senator has in mind? He has told about how cheaply agar is produced in Japan by the small farmers along the sea coast. It strikes me that a duty which is going materially to help the concern in California would have to be a duty practically prohibitive.

Mr. SHORTRIDGE. It is thought that 15 cents plus the 25 per cent would so stabilize the industry as to enable us to go forward at a profit. I do not think it would be prohibitive, and for this simple reason. I think, and others think, that the Japanese would get into our market, even though they had to pay, in an indirect way, this added tariff protection. But if our theory of protection is sound, we would primarily have to have a modified control of the market, a greater demand for our own product.

Mr. COPELAND. Mr. President, if the Senator will bear with me—

Mr. SHORTRIDGE. I yield with pleasure.

Mr. COPELAND. It seems to me that the only way you could hope to place your industry in California upon a substantial, successful, commercial basis, would be to have the duty so high that you could actually exclude the Japanese importations. Otherwise they would meet the conditions, and, as I see it—and I am sorry that that is the way it strikes me—the California industry would not be benefited a particle.

Mr. SHORTRIDGE. I am not contending for a prohibitive tariff, or a tariff which would work an embargo on imports.

Mr. COPELAND. But, as I see it, at least, you are not dealing with a manufacturing concern of the ordinary type. You have a certain product, a natural product, which is limited in quantity, and I can not see, for the life of me, how you can hope to have a tremendous development of it except by a prohibitive rate.

Mr. SHORTRIDGE. I am not contending for a prohibitive tariff, nor do I think that a prohibitive tariff is necessary. I repeat, if I thought it necessary to build up a bona fide, genuine American industry, giving employment to American men, women, and children, I would in certain cases favor an embargo, if you please, as was urged a century ago by some very great Americans. But if, as the Senator suggests, this would be of no benefit, then assuredly it could do no harm. If the thought of the Senator be sound economically, and this 15 cents added will not be of any benefit to us, because, as suggested, the Japanese will be able to ship their product into the United States in spite of this raise, then manifestly there will be no harm done to the consumer. We, the producer, for the moment, think it will be helpful, for reasons that have been indicated.

Here is a résumé of something I have said and much I have read. There is no substitute for agar. It is the only substance known to science for the cultivation of certain germs in the detection and treatment of disease. Outside of American agar, the entire world is dependent to-day on Japan for its supply.

My views in regard to Japanese immigration do not color my views in respect to this particular product, but I would far prefer to see agar made out of what I may call California seaweed, by American men, women, and children, under the most economic, the most scientific, chemically pure methods and conditions, than to continue to purchase the article from Japan.

To read over the process of manufacturing agar it would seem like a simple operation. The fact that it has taken this company nearly six years and the expenditure of over \$500,000 to arrive at their present status is evidence of the difficulties to be encountered.

Not too infrequently in the past, in our efforts to perfect our process of manufacture, the entire day's run has gone down the sewer instead of into finished product, due to some slight change in routine.

There is ample weed growing off the coast of California to insure adequate supplies for the future and the weed does not grow on the eastern coast of the United States in sufficient quantity to make it commercially possible.

To present an idea of the magnitude of the agar industry we quote the exports from Japan over a 3-year period as given in the April 15, 1929, issue of the Oil, Paint, and Drug Reporter. It should be borne in mind that these figures do not include the considerable quantity used for home consumption:

	Kin ¹
1926.....	1, 808, 145
1927.....	1, 815, 527
1928.....	2, 149, 749

Now, this company, the American Agar Co., concludes its statement in the nature of an appeal to the Congress:

In asking for an increase in the duty on agar we are seeking volume of business and not to enhance the price, but with the volume would hope to reduce manufacturing costs and eventually the cost to the consumer, and by so doing enlarge its field of usefulness.

I repeat that instead of being a burden upon the consumer it will result in a lower price. That is the conclusion, may I say, of addressing for the moment the Senator from New York [Mr. COPELAND], of the statement of this company in the nature of an appeal to the Congress:

In asking for an increase in the duty on agar we are seeking volume of business and not to enhance the price, but with the volume would

¹ 1 kin equals 1.32 pounds.

hope to reduce manufacturing costs, and eventually the cost to the consumer, and by so doing enlarge the field of its operation.

Summing up, I think this is the situation: This article, manufactured in Japan by primitive methods, costs difficult to ascertain, is imported into our country and purchased here by large concerns and distributed to the purchasers throughout the United States. Some 500,000 pounds of it will have been imported into this country during the current year. It so happens that we have set up a factory at San Diego, Calif. There is invested there over half a million dollars—fully \$600,000, as the detailed statements here show—and the most scientific methods are used in the manufacture of the article.

The price of labor is such in our country that we can not compete even in our own country, our own home market, with the article produced in Japan. It is a practical proposition, and repetition, emphasis, emotional speech, or discussion as to theories, neither adds to nor takes from this simple statement of the situation.

In my experience in life I go to the learned physician when I suffer pain. If I seek to erect a building I go to an architect. If I am in trouble over legal matters I would naturally consult one supposedly learned in the law. Wherefore with that thought in mind, I go now to men who have studied the problem, who have invested their capital in the business. They say, "We can not go ahead. We may have made a mistake, if you please, in investing our capital in this line. We can succeed, however, if our industry is given reasonable tariff encouragement." I submit we should grant their prayer.

Owing to the market here being captured by the Japanese this company in the year 1925 were able to run 10 months.

Mr. COPELAND. How much did they make?

Mr. SHORTRIDGE. They made 117,773 pounds. In the year 1926 they were able to run only four months and produced 29,877 pounds. In 1927 they did not run at all. Why? Japan supplied the market. In 1928 they ran five months, producing 22,796 pounds, while hundreds of thousands were flowing in from Japan.

Now, as to this article and as to hundreds of others, if we want the foreign products to pour into America let us reduce the tariff. Let us wipe it out entirely. If we want, for example, the lemons of Sicily to come in, if we want the almonds of France or other European countries to possess our market, if we want the foreign-grown walnuts to capture the American market, if we want the hundreds and thousands of articles which are produced by poorly paid labor in Europe and in Asia to come here and capture the market and put out of business our people, there is an easy way to accomplish that result. Wipe out the tariff entirely or levy a tariff merely for the purpose of revenue, so low as not to afford protection to American labor.

I digress here to say that a tariff may be levied for revenue only. It costs over \$4,000,000,000 to carry on our Government. We still owe some \$17,000,000,000. I want a tariff levied for several purposes: First, for revenue, and last year we collected something over \$602,000,000 in tariff duties, which helped to pay the expense of the Government and to reduce the national debt. Whether it be primarily or secondly or thirdly, I want a tariff which will in fact protect American industries in the city, on the farm, in the forest, in the mine, in every State. That is what labor wants. That is what capital wants.

The American father, with his wife, his children, with his church, with his schools, with all the expenses incident to our standard and type of civilization, can not compete in the factory or in the farm or in the mine or the forest with the labor of Europe or the labor of China or Japan or other oriental lands.

That is why I, perhaps, get unduly wrought up when I am thinking of an American industry, and that is why, perhaps, I betrayed a little impatience or have not advanced as logically or as coolly as I should when I am thinking, as I am now, of this particular industry located in San Diego, Calif. I say that this rate would not work any injury whatever to any American family. It would not reduce the dividends of any of the big companies that purchase this article from Japan.

Mr. COUZENS. Mr. President—

The PRESIDING OFFICER. Does the Senator from California yield to the Senator from Michigan?

Mr. SHORTRIDGE. I yield.

Mr. COUZENS. I observe the Senator failed to mention the fact that it might increase the cost of medicine to those who have to use it. We are talking about a concern that manufactures in wholesale quantities.

Mr. SHORTRIDGE. I am, and I undertake to say that if these great concerns—and they are honorable and legitimate enterprises, corporations, or individuals—had to pay a little more for this, to them, raw material, they never would add

one mill or one-tenth of a mill to the product into which this particular article goes. They have prospered enormously. I hope they will continue to prosper. I would not knowingly urge anything which would materially or at all injure them.

I have said here again and again that if we be permitted to develop this industry the price of the article will be less than it is to-day. The trouble is that we have not the market. The trouble is, as of now, that the purchases by the great concerns are made abroad; are made from Japan. But if we are permitted to go forward increasing our facilities from 500 pounds a day to 1,000, to 1,500 pounds a day, we shall be able to sell to the big concern in Detroit or in other cities at a price less than is now being paid by the Senator's constituents.

I do not wish to imply that the views of the Senator from Michigan are held because he happens to come from that great State. I do not mean that. But if permitted to go on and increase their capacity to 1,500 pounds a day, the American company will be able to sell at even less. So that by helping these men in California no injury will be done to the purchaser in Detroit or elsewhere, nor will the cost of medicine into which this article ultimately will go be increased to any appreciable extent or at all. That is my position.

Mr. COUZENS. Does the Senator assume that adding 15 cents a pound specific duty means the limit of the ultimate additional charge to the consumer of the medicine? The Senator knows as well as I do that these rates are pyramided and that if the 15-cent rate is put on, when it gets to the consumer in all probability it will be 30 cents. The Senator from South Carolina [Mr. SMITH] suggests that I am too conservative, and perhaps I am.

Mr. SHORTRIDGE. I think in some respects the Senator is conservative, but my recollection is that the development in capacity of the Ford automobile output did not increase the price, but by the genius of man, by increasing the facilities of manufacture, by inventions, and so forth, the price has been reduced to the consumer. If the American Agar Co. is permitted to increase its capacity and its output, it will be able to sell that output cheaper than the Japanese now do.

We shall be able to compete with Japan and the purchaser, if he be in Detroit or New York or Raleigh or in Washington, will get the article at a less price than he is now paying. That is the fact that I am trying to impress upon Senators.

Mr. COUZENS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Michigan?

Mr. SHORTRIDGE. I yield.

Mr. COUZENS. I thought we were going to vote in five minutes after we started on this item, therefore I did not want to continue the debate. I think the Senator has made a case which will, perhaps, lose him votes rather than make them, on account of the purpose for which the product is used. So I am perfectly willing to rest the case with the Senate now.

Mr. SHORTRIDGE. I thank the Senator for his very courteous comment touching the remarks which I have made. I appreciate it very fully. I did not wish to enter into a discussion to-day. I suggested to the chairman of the Committee on Finance that the matter go over. I think I expressed the same thought to my friend from Michigan. It may well be that Senators are willing to vote upon the ipse dixit or the dogmatic statement of gentlemen without any analysis or knowledge of the facts. That may be, but I do not propose—

Mr. SIMMONS. Mr. President—

The VICE PRESIDENT. Does the Senator from California yield to the Senator from North Carolina?

Mr. SHORTRIDGE. I do.

Mr. SIMMONS. I simply want to say that the Senator has had the last word about the matter and he has undoubtedly given a very able and entertaining analysis of the situation in his State and of the article in question. I do not think he could have presented the case of his constituents with more force or with greater eloquence than he has done. I think the Senator from California will have no right to complain if we take a vote now on this question. I hope we shall have a vote. I regret, however, that I can not vote with the Senator from California.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. LA FOLLETTE and Mr. HARRISON asked for the yeas and nays.

Mr. SHORTRIDGE. One moment, Mr. President.

The VICE PRESIDENT. The Senator from California.

Mr. SHORTRIDGE. Mr. President, if I have betrayed any impatience, I regret it. The committee did not act without information. I have endeavored here this afternoon to state the question thoroughly; I have gladly yielded for questions; I think the facts are now pretty generally understood.

I repeat that the rates are not considered sufficient by those engaged in the business of producing this article. If that be so, the question is shall we give added protection? I have stated to Senators the imports; I have indicated our production; I have stated the prices paid. I have indicated that if we can increase the output, we can reduce the price of the article, and all in the interest of an American industry.

I do not put it in an offensive sense, but the question for Senators to determine is whether we shall continue to purchase this article from Japan or shall we make it possible to produce the article in the United States by our own people. That is the problem and the question.

If the committee amendment shall not be agreed to, at a proper time I shall ask to present the case, perhaps more clearly, to the end that some added duty may be placed on this article. In any event, I have tried to do my duty, and I am sure Senators will endeavor to do theirs.

The VICE PRESIDENT. The question is upon agreeing to the committee amendment, which will be stated.

The CHIEF CLERK. In paragraph 42, page 22, line 11, after the word "pound," it is proposed to strike out "casein glue, agar-agar" and to insert agar-agar, 15 cents per pound and 25 per cent ad valorem; casein glue."

Mr. LA FOLLETTE and Mr. SIMMONS asked for the yeas and nays, and they were ordered.

The legislative clerk proceeded to call the roll.

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, and not knowing how he would vote if present, I withhold my vote.

Mr. SIMMONS (when his name was called). I transfer my general pair with the junior Senator from Ohio [Mr. BURTON] to the Senator from Minnesota [Mr. SHIPSTEAD] and vote "nay."

Mr. SWANSON (when his name was called). I have a pair for the day with the senior Senator from Maine [Mr. HALE]. I transfer that pair to the senior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

The roll call was concluded.

Mr. BRATTON. I inquire if the Senator from Pennsylvania [Mr. REED] has voted?

The VICE PRESIDENT. He has not voted.

Mr. BRATTON. I have a general pair with that Senator. In his absence I withhold my vote. If permitted to vote, I should vote "nay."

Mr. KING. I have a pair with the Senator from New Hampshire [Mr. KEYES]. I transfer that pair to the senior Senator from Arkansas [Mr. ROBINSON] and will vote. I vote "nay."

Mr. JONES. I desire to announce the following pairs:

The Senator from Rhode Island [Mr. HEBERT] with the Senator from South Carolina [Mr. BLEAKE];

The Senator from Maryland [Mr. GOLDSBOROUGH] with the Senator from Arkansas [Mr. CARAWAY];

The Senator from Rhode Island [Mr. METCALF] with the Senator from Maryland [Mr. TYDINGS];

The Senator from New Jersey [Mr. EDGE] with the Senator from Tennessee [Mr. BROCK]; and

The Senator from Vermont [Mr. DALE] with the Senator from Arizona [Mr. ASHURST].

The result was announced—yeas 25, nays 44, as follows:

YEAS—25

Bingham	Hastings	Patterson	Walcott
Deneen	Hatfield	Phipps	Warren
Gillett	Johnson	Shortridge	Waterman
Glenn	Kean	Smoot	Watson
Goff	Kendrick	Steiwer	
Gould	Moses	Thomas, Idaho	
Greene	Oddie	Townsend	

NAYS—44

Allen	Cutting	Jones	Schall
Barkley	Dill	King	Sheppard
Black	Fletcher	La Follette	Simmons
Blaine	Frazier	McKellar	Smith
Borah	George	McMaster	Swanson
Brookhart	Glary	McNary	Trammell
Broussard	Harris	Norbeck	Vandenberg
Capper	Harrison	Norris	Wagner
Connally	Hawes	Nye	Walsh, Mass.
Copeland	Hayden	Overman	Walsh, Mont.
Conzens	Hefflin	Ransdell	Wheeler

NOT VOTING—26

Ashurst	Edge	Metcalf	Shipstead
Blease	Fess	Pine	Steck
Bratton	Goldsborough	Pittman	Stephens
Brock	Hale	Reed	Thomas, Okla.
Burton	Hebert	Robinson, Ark.	Tydings
Caraway	Howell	Robinson, Ind.	
Dale	Keyes	Sackett	

So the amendment of the committee was rejected.

The VICE PRESIDENT. The clerk will continue the reading of the bill.

The reading of the bill was resumed.

The next amendment was, on page 22, line 18, after the word "for," to strike out "20 per cent" and insert "15 per cent," so as to read:

PAR. 44. Ink and ink powders not specially provided for, 15 per cent ad valorem.

Mr. HARRISON. Mr. President, this item appears to have a decrease of 5 per cent. The present ratio of duty is 20 per cent, and in the bill it is decreased 5 per cent.

I notice that the imports of ink in 1928 were only 134,000 pounds. The exportations for 1928 were 11,000,000 pounds. In 1925 the value of the domestic production was \$41,000,000. Does not the Senator think that rate would stand some reduction below 15 per cent ad valorem?

Mr. SMOOT. Mr. President, I can not tell exactly. The importations of other ink and ink powders not specially provided for were 115,520 pounds; and, of course, they fall within this paragraph, and even that is a small percentage of the total production.

Mr. HARRISON. The statistics show such enormous exportations and such small importations and such a large domestic production that it would seem as though the rate would stand a greater reduction than to 15 per cent. Will not the Senator accept an amendment to make the rate 10 per cent?

Mr. SMOOT. I do not know just what special types of ink are included in the importations. I am perfectly willing to accept the rate of 10 per cent and let it go to conference, and find just exactly what the effect would be on certain classes of ink.

Mr. HARRISON. Mr. President, on page 22, line 18, I move that the words "15 per cent" be stricken out, and "10 per cent" be inserted.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Mississippi to the amendment of the committee.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment of the committee.

The CHIEF CLERK. Paragraph 48. Licorice—

Mr. SHEPPARD. Mr. President, I desire to call attention to the fact that the next amendment relates to iodine.

Mr. SMOOT. Yes; on page 22 there is an amendment regarding iodine.

The next amendment was, on page 22, line 19, before the words "per pound," to strike out "20 cents" and insert "10 cents," so as to make the paragraph read:

PAR. 45. Iodine, resublimed, 10 cents per pound.

The amendment was agreed to.

Mr. HARRISON. Mr. President, may I state, with reference to that item, that the imports in 1923 were only 24 pounds; so the rate ought to be reduced.

Mr. SMOOT. In this case we refine all of it here. No iodine is imported into the United States except in crude form.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 23, line 4, before the words "ad valorem," to strike out "25 per cent" and insert "20 per cent," so as to make the paragraph read:

PAR. 48. Licorice, extracts of, in pastes, rolls, or other forms, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 23, line 11, after the words "Epsom salts," to insert "one-half of," and in line 12, after the words "per pound," to strike out "kieserite, one-fourth of 1 cent per pound," so as to make the paragraph read:

PAR. 50. Magnesium: Carbonate, precipitated, 1½ cents per pound; chloride, anhydrous, 1 cent per pound; chloride, not specially provided for, five-eighths of 1 cent per pound; sulphate or Epsom salts, one-half of 1 cent per pound; oxide or calcined magnesia, 7 cents per pound.

Mr. HARRISON. Kieserite is put on the free list?

Mr. SMOOT. It goes to the free list.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 23, after line 16, to strike out:

PAR. 52. Menthol, 75 cents per pound; natural crude camphor and synthetic camphor, 1 cent per pound; natural refined camphor, 6 cents per pound.

And in lieu thereof to insert:

PAR. 52. Menthol, 50 cents per pound; camphor, crude, natural, 1 cent per pound; refined or synthetic, 6 cents per pound.

Mr. LA FOLLETTE. Mr. President, as a substitute I move to strike out the committee amendment and insert the language which I send to the desk.

The VICE PRESIDENT. The amendment, in the nature of a substitute, will be stated.

The CHIEF CLERK. It is proposed to strike out lines 20 to 22, inclusive, and in lieu thereof to insert the following:

PAR. 52. Menthol, 50 cents per pound; camphor, crude, natural, or synthetic, 1 cent per pound; refined, 6 cents per pound.

Mr. SMOOT. Mr. President, why does the Senator, in his amendment, leave out the synthetic camphor?

Mr. LA FOLLETTE. I do not leave it out. I am restoring the language, so far as the amendment relates to camphor, crude, natural, refined, or synthetic, to the language passed by the House. In other words, the committee has changed the House language so as to increase the duty on synthetic camphor from 1 cent per pound, which was provided by the House, to 6 cents per pound.

Mr. SMOOT. But the wording of the paragraph as reported to the Senate is the exact wording of the act of 1922.

Mr. LA FOLLETTE. I understand that; but that is not an argument in favor of the action of the Senate committee in giving synthetic camphor a 6 cents per pound rate when the House has provided a 1 cent per pound rate.

Mr. COPELAND. Mr. President, will the Senator permit the amendment to be read again?

Mr. LA FOLLETTE. Yes; I shall be glad to have it read again.

The VICE PRESIDENT. The amendment will be restated.

The Chief Clerk restated the amendment.

Mr. LA FOLLETTE. Mr. President, Senators will observe that that is exactly the House text so far as it relates to camphor.

Here is the situation, Mr. President, as I see it:

The Ways and Means Committee of the House reduced the duty on synthetic camphor from 6 cents per pound to 1 cent per pound. The Senate Finance Committee restores the rate of duty in the present tariff law; namely, 6 cents per pound on synthetic camphor. The fact of the matter is that there has been no production of synthetic camphor in the United States since 1922.

Synthetic camphor is the industrial type of camphor. It does not reach the United States Pharmacopœia standard, and therefore does not compete with refined natural camphor. The Japanese Government enjoys a practical monopoly, so far as the production of camphor in its natural form is concerned; but synthetic camphor is a competitor with crude camphor for industrial purposes.

Synthetic camphor was produced in this country by one manufacturer beginning, I am informed, about 1917, and the business was abandoned in 1922. My information is that this American manufacturer obtained the rights through contract with the German synthetic manufacturers, but found that he could not produce the synthetic camphor in this country.

At the time the act of 1922 was passed it was alleged that if a rate of 6 cents per pound on synthetic camphor should be incorporated in the bill of 1922 the domestic manufacture of synthetic camphor would be continued in the United States, or would be successful. The fact is that during the entire life of the act of 1922, with synthetic camphor receiving a duty of 6 cents per pound, there has been no production in the United States.

Now, again there comes before the Senate Finance Committee a representative of the Pyroxylin Plastics Manufacturers' Association, one Mr. Doyle, who argues that if we will just continue this rate for another few years synthetic camphor will be manufactured in the United States. In other words, this is a request for a duty repeated again as it was in 1922, on the theory that if we give the duty there will be some manufacturer who will go into the business in the United States, and who, if he does go into the business, will need this protection.

The same statement was made in 1922, and the consumers of synthetic camphor in the United States were required to pay a duty of 6 cents per pound on every pound which they imported, on the theory that somewhere a manufacturer would go into the business. Now, after that law has been on the statute books for seven years the same argument is made; and the Finance Committee has yielded to the request of this association for the granting of a duty equal to that provided in the law of 1922.

Mr. HARRISON. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Mississippi?

Mr. LA FOLLETTE. I yield to the Senator from Mississippi.

Mr. HARRISON. Do I understand the Senator to say that the manufacturers of pyroxylin are asking for this increase to 6 cents?

Mr. LA FOLLETTE. As I understand, the representative of the Pyroxylin Plastics Manufacturers' Association asked for it. The Pyroxylin Plastics Manufacturers' Association, as I understand, is composed of the following companies: The Celuloid Corporation, which is a New Jersey corporation; the Fibrolid Corporation; the Nixon Nitration Works; and the Du Pont Viscoloid Co. It is my information that the Du Pont Viscoloid Co. dominates the Pyroxylin Plastics Manufacturers' Association.

They have freshened up their story a little bit. They say that synthetic camphor is used in the manufacture of these sheets for safety glass, and that in view of the increased business for safety glass they hope there is going to be a sufficient demand so that they can get into the business and conduct it successfully. I submit, however, that we have not gone far enough in this country in the adoption of the ultra-protectionist theory of tariff making to warrant the granting in advance of duties prior to any manufacturer being engaged in the business. That is carrying the theory of protection, it seems to me, to the "nth" degree.

As I stated before, the same arguments were made in 1922 when that act was under consideration. They claimed that if this rate of 6 cents per pound on synthetic camphor were granted somebody in the United States would go into the business, and that when they got into the business they would need this rate. Seven years have gone by and no American manufacturer has successfully engaged in the business. They made no impression on the Committee on Ways and Means. That committee put the rate on synthetic camphor on a parity with the rate on unrefined, natural camphor, namely, at 1 cent a pound. They came before the Finance Committee and received a much more cordial reception for their plea.

In every respect, excepting for medicinal purposes, synthetic camphor and crude natural camphor are interchangeably used in the United States. As I stated a moment ago, it is chiefly used in the pyroxylin plastics industry. I believe that the House rate should be retained, because to raise the duty on synthetic camphor to 6 cents per pound is simply to increase to consumers in the United States the cost of materials into which synthetic camphor goes as a component part.

I do not believe that the Senate should grant duties on the basis of giving protection in advance of the commencement of production by any industry in the United States, and I think particularly it should not do so when it finds that after seven years of the maintenance of a 6-cent duty no manufacturer in the United States has gone into the business, and particularly when we reflect that the consumers of synthetic camphor have been required to pay a duty of 6 cents a pound on that product during the entire life of the act of 1922.

Mr. EDGE. Mr. President, I presume it will be futile to present the situation in regard to this item, but I feel it my duty to do so, and I will take only a few moments of the Senate's time.

The Senator from Wisconsin is substantially correct in his presentation of the situation, with the exception of his repeated statement that this duty is being provided in expectation of some one some time taking advantage of it.

As a matter of fact, and this fact, I recall, moved the Finance Committee to grant a continuation of this 6-cent rate, there has already been spent a half million dollars in a plant in the State of New Jersey—for which I do not apologize—with a manufacturing capacity of 120,000 pounds of synthetic camphor per month.

I think the Senator was entirely correct when he stated that some representations were made in 1922 to similar effect, and, as he has indicated, the act of 1922 carried a rate of 6 cents, which is the existing law.

However, I presume that the concern to which I have referred felt that the 6 cents would remain in the law, and they have therefore made this investment, I am informed. The committee very properly gave consideration to that fact, with its practical assurance that synthetic camphor would be produced in the United States and in the future we would not be dependent upon the German importations.

I might say to the Senator from Wisconsin that I do not entirely agree with him that we have not built up splendid industries in this country through allowing a rate of duty which would seem to be proportionate with the difference between the costs of production at home and abroad, when assurances have been given that American enterprise, backed by American capital, would make the effort to produce needed commodities, particularly so, I think, in the chemical schedule.

I agree with the Senator that the time comes, if these promises are not made good, when there is no reason for the protection to be continued, but my best information is that the expenditure has been made for the plant to produce this article,

and it is indicated that the expenditure was made for that specific purpose.

If we do not allow this protection, it is obvious that the money that has been expended in preparing this plant to a great extent, I assume, will be money wasted, and another commodity absolutely essential in modern development we will depend on Germany and Japan to furnish us.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. EDGE. I yield.

Mr. NORRIS. Assuming everything the Senator has said to be beyond dispute, still he has left one matter uncovered, it seems to me. He has stated that if we do not allow a rate of 6 cents, this investment will fail, and we will have no manufacture of this commodity in the United States. The Senator may have the information, but he has not yet given to the Senate any information as to what the duty should be, or why it should be 6 cents. That is very important, it seems to me.

Mr. EDGE. I agree with the Senator. It is very important, but, to be perfectly frank about it, I attempted this morning to give a similar comparison of ranges of cost of production here and abroad as to another article that I thought should be convincing, but it did not seem to have very much effect on the Senate, so that I did not want to take the time now to go into the figures. But I will be very glad to do so, and I agree with the Senator that it is absolutely pertinent, and the facts should be final, in my judgment.

I had not looked into the matter at all until I entered the Chamber and heard the Senator from Wisconsin discussing this paragraph, but as near as I can secure the information from the report I have in my possession the imports of crude natural camphor in 1928 were 4,385,000 pounds, valued at \$1,638,000, or 37.8 cents per pound. The imports of synthetic camphor in 1928 were 2,292,000 pounds, valued at \$822,000, or 35.8 cents per pound. That is the invoice value of the imported camphor.

Mr. NORRIS. Mr. President, if the Senator will permit me, he still has not covered the point I had in mind. In the first place, he has not given us the cost of production. In the next place, while ordinarily the amount of importations and the amounts exported are very material to consider in reaching a conclusion as to what the rate should be, in a case of this kind where there is no manufacture here, such computations give us no light.

Mr. EDGE. The Senator is absolutely correct, but it is rather difficult to ascertain the cost of a product that is not now produced here. On the other hand, if the Senate really desires to have the facts presented, I think I have in my office some estimated costs of home production, and if the Senator from Wisconsin, with the permission of the Senator from Utah, will pass over this item, I will be very glad to later bring what information I have to the attention of the Senate.

Mr. LA FOLLETTE. Mr. President, so far as I am concerned, I am perfectly willing to let this matter go over so that the Senator may get the estimated costs of domestic production from his office, but I would like to say that the figures would not be impressive and would not weigh greatly with me, in view of the fact that this duty has existed since 1922, and no manufacturer has gone as yet into the business, and no manufacturer is yet producing this camphor in the United States.

The Senator says there is a concern in his own State that wants to go into the business, and it has furnished him with estimated costs. It seems to me that the Senate of the United States should view this situation from our past experience. In 1922 the same protestations were made to the Finance Committee. We imposed a duty of 6 cents a pound on every pound of synthetic camphor imported into the United States, and that has been in effect for seven years, on the theory that some American concern would take up the production.

Mr. EDGE. Mr. President, will the Senator yield?

Mr. LA FOLLETTE. I yield.

Mr. EDGE. I do not want to introduce a very controversial subject, but I would like to draw the attention of the Senator from Wisconsin to the fact that we did the same thing in regard to manganese. We continued the duty from 1922 to the present time, under the representations that we were to have manganese produced in this country. In the last few years the production of high quality manganese has become less and less, so that the committee, as is well known, recommended that that product go back on the free list. If the same rule announced by the Senator is to be applied to all commodities, it will be rather interesting to watch the attitude of Senators.

Mr. LA FOLLETTE. Mr. President, the Senator from Wisconsin will attempt to justify his viewpoint on rates as they come up, and will be ready to stand on the record he is able to make, and the argument he is able to present. If the question of consistency is to be raised here, I am perfectly willing

to have it apply to me as well as to every other Senator in this body.

Nevertheless, the question of what the committee did with manganese, or with some other thing, has nothing to do with this situation. The facts are plain, and the Senate of the United States has to decide whether it is going to commit the folly in 1929 that it committed in 1922.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. SMOOT. Mr. President, I think we ought to grant the request of the Senator from New Jersey.

The VICE PRESIDENT. Is there objection to the amendment being passed over? The Chair hears none, and the amendment will be passed over.

Mr. LA FOLLETTE. Mr. President, if this debate should be cited by the Senator from Pennsylvania as having been repeated, I wish the RECORD to show that this matter went over on the request of the chairman of the Committee on Finance and the Senator from New Jersey, a member of the committee.

The VICE PRESIDENT. The Secretary will report the next amendment.

The next amendment was, on page 23, line 25, before the words "per gallon," to strike out "10 cents" and insert "6 cents," and on page 24, line 1, before the words "per gallon," to strike out "14 cents" and insert "12 cents," so as to read:

PAR. 53. Oils, animal and fish: Cod, herring, and menhaden, 5 cents per gallon; whale and seal, 6 cents per gallon; sperm, crude, 6 cents per gallon; sperm, refined or otherwise processed, 12 cents per gallon; spermaceti wax, 6 cents per pound; wool grease containing more than 2 per cent of free fatty acids, 1 cent per pound; containing 2 per cent or less of free fatty acids and not suitable for medicinal use, 2 cents per pound; suitable for medicinal use, including adeps lanae, hydrous or anhydrous, 3 cents per pound; all other animal and fish oils, fats, and greases, not specially provided for, 20 per cent ad valorem.

Mr. JONES. Mr. President, I have offered a substitute for this paragraph, increasing practically all the rates covered by the paragraph. There are only two committee amendments, but I would like to have them dealt with when the substitute can be considered. As I understand it, a substitute for the paragraph will not be in order until committee amendments shall have been disposed of. If there should be any agreement that when the committee amendment to a schedule is disposed of then individual amendments can be proposed, I would be perfectly willing to take the paragraph up at that time in connection with the consideration of the committee amendments.

In the interest of the saving of time, and also because I am not prepared to-day to take up these particular items myself, I ask that this paragraph may be passed over, and that the amendments of the committee be considered when other amendments are disposed of.

Mr. FLETCHER. Before that is done, Mr. President, may I inquire whether this paragraph covers cod-liver oil?

Mr. SMOOT. Cod-liver oil is on the free list.

Mr. COUZENS. Mr. President, I would like to ask the Senator from Washington if he includes the subject matter dealt with in paragraph 54? The items are somewhat alike.

Mr. JONES. No; my request simply deals with paragraph 53. I have offered a substitute in the interest of the fishing industry and agriculture.

Mr. JOHNSON. Mr. President, will the Senator yield?

Mr. JONES. I yield.

Mr. JOHNSON. I was about to answer the query of the Senator from Michigan. It happens that the Senator from Idaho [Mr. THOMAS] has a substitute for paragraph 54, exactly as the Senator from Washington has one for paragraph 53. It would seem a work of supererogation to go into the particular rates that are set forth in these paragraphs before the consideration of the substitute, I should imagine.

Mr. SMOOT. The Senator from California is correct. I do not want to take the paragraph up and then take one or two items out of the paragraph which may have a bearing upon the amendments to be offered by other Senators.

Mr. JOHNSON. Let me suggest to the Senator from Utah that the Senator from Washington [Mr. JONES] has a substitute for the entire paragraph 53. The Senator from Idaho [Mr. THOMAS] has a substitute for the entire paragraph 54. Under those circumstances what is the better mode of procedure?

Mr. SMOOT. If I could get the unanimous consent of this body to do so I would ask that we proceed to the consideration of the substitute for the whole paragraph, but that has been denied us in the past.

Mr. HARRISON. It has not been denied in that particular.

Mr. JOHNSON. No; I do not so understand it.

Mr. SMOOT. I asked unanimous consent first that we proceed with the consideration of the bill and that committee

amendments be considered first, and that each paragraph as we concluded the committee amendments should be opened as we proceeded with the bill to individual amendments; but that was refused.

Mr. JOHNSON. Let us see what the situation is. It is a situation that strikes me as being rather absurd. Here is a specific item in section 54 in which I am interested, in which I think that the Senator from New York [Mr. WAGNER], who is on his feet, is very much interested—

Mr. WAGNER. Yes; I want to have an opportunity to offer an amendment to the paragraph.

Mr. JOHNSON. Yes; and the Senator from Maryland [Mr. GOLDSBOROUGH], who is absent at the moment, has an amendment pending regarding a specific item, too, and the Senator from Idaho [Mr. THOMAS] has a substitute for the entire paragraph. How infinitely better it would be to take up the substitute and determine what we are going to do with it, because if it be adopted it would dispose of the whole subject matter, rather than take up a single rate and then another single rate and then take up the substitute subsequently.

Mr. HARRISON. There is a lot of difference between the request formerly made by the Senator from Utah and this request.

Mr. SMOOT. I was just going to say to the Senator from California that to-morrow morning, when these two paragraphs are brought up, I shall ask unanimous consent that we perfect the two paragraphs, not confining ourselves to the committee amendments alone but that any substitute which is offered for the paragraph may be considered.

Mr. JOHNSON. I think that is the reasonable course to pursue.

Mr. THOMAS of Idaho. Mr. President, I may say that I have substitutes for paragraphs 54, 55, 57, and 58 which are all on the same subject. I would like to have them considered at the same time.

Mr. SHEPPARD. Mr. President, may I ask the Senator from Idaho as to paragraph 56?

Mr. THOMAS of Idaho. I think I have no amendment to paragraph 56.

Mr. SHEPPARD. It seems to me that paragraph also deals with the same general subject. Paragraphs 53 to 58 deal with the subject of fats and oils. It appears to me the logical course to pursue is to make the same disposition of all of them.

Mr. KING. Mr. President, will the Senator from California yield?

The VICE PRESIDENT. Does the Senator from California yield to the Senator from Utah?

Mr. JOHNSON. I yield.

Mr. KING. I hope that the Senator from California will ask unanimous consent to proceed to the consideration of each paragraph, taking one at a time, and treating it not only for amendments before us but for any amendment which may be offered.

The VICE PRESIDENT. May the Chair suggest that the matter go over until to-morrow, and that in the meantime Senators interested get together with the chairman of the committee and see if they can not agree upon the procedure.

Mr. WALSH of Massachusetts. Mr. President, before that is done may I suggest that the various substitutes be printed in the RECORD, so that Members of the Senate will have a chance to see what the substitutes are that are to be considered to-morrow morning? I understand the Senator from Washington has a substitute for paragraph 53 and that the Senator from Idaho has substitutes for paragraph 54 and several other paragraphs. This means that we are going to have new paragraphs to consider in the nature of substitutes; so let us have them all printed in the RECORD.

Mr. SMOOT. I think they have all been printed.

Mr. THOMAS of Idaho. I think that my amendments, except one substitute, have been printed and that one is being printed to-day.

Mr. WAGNER. Mr. President, before I give my consent to that procedure I want to know my parliamentary situation. I desire to offer an amendment to paragraph 54, so as to further reduce the duty on olive oil. Will I be in a position to offer that amendment under the proposed unanimous-consent agreement?

The VICE PRESIDENT. The Chair will announce that if the unanimous-consent agreement is made, and a substitute is offered to strike out and insert, the amendment and the substitute would be separate questions and each would be open to amendment.

Mr. WAGNER. I object to the unanimous consent at this time, until I see further about the parliamentary situation.

The VICE PRESIDENT. A substitute would be the last on which the vote would be taken. Amendments perfecting the text would be considered first.

Mr. SMOOT. Mr. President, I ask now that we turn to paragraph 61, page 26, and consider the amendment in line 20.

Mr. WAGNER. I object.

Mr. JOHNSON. To what is the Senator objecting? There is nothing before us yet.

Mr. SMOOT. I do not think the Senator knows what he is objecting to.

Mr. WAGNER. Oh, yes; I know what I am objecting to.

Mr. JOHNSON. There is nothing asked as yet.

Mr. WAGNER. The request was made that paragraph 54 go over until to-morrow for consideration, I understand.

Mr. SMOOT. I was asking that we turn to page 26, paragraph 61, and consider the amendment there in line 20, which has nothing whatever to do with oil or any of the items mentioned here by any other Senator.

Mr. WAGNER. I am asking for the regular order, and under the regular order the next paragraph for consideration is paragraph 54.

Mr. JOHNSON. No; the next paragraph would be 53.

Mr. WAGNER. I understand that we had disposed of paragraph 53.

Mr. SHEPPARD. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Texas will state it.

Mr. SHEPPARD. Was not unanimous consent granted to allow paragraph 53 to go over with the understanding that a substitute for it would be offered?

The VICE PRESIDENT. That was not agreed to. While that question was pending the other question came up and no action was taken on it. So the pending matter is the question suggested by the Senator from California [Mr. JOHNSON].

Mr. JONES. Mr. President, my request was that paragraph 53, with the two amendments thereto, should go over until individual amendments are in order. I supposed that was all that would probably be agreed to. I have understood all the time that a substitute could not be offered until all the committee amendments have been disposed of. Therefore, I have not prepared my substitute as I should like to have the opportunity to do. I could be ready with it Monday morning so far as that is concerned. My request was that paragraph 53 should go over until all of the committee amendments are disposed of except the two in that particular paragraph.

Mr. WAGNER. To which I made no objection.

Mr. JOHNSON. Do Senators want to leave the Senator from Idaho with his substitute in a different situation from the Senator from Washington with his substitute? Both refer to oils.

Mr. WAGNER. I have no idea what the proposed substitute of the Senator from Idaho may be. I understood him to say that it covered not only paragraph 54 but was a comprehensive substitute which covered a number of other paragraphs relating to oil. It was under those circumstances, not having sufficient knowledge of the nature of his substitute, that I asked for the regular order. Perhaps between now and to-morrow, if I may see the proposed substitute or have it explained to me, I may assent to the new procedure.

Mr. JOHNSON. I suggest that the course of the substitute of the Senator from Idaho be that accorded to the amendments of the Senator from Washington [Mr. JONES], and that they both go over until to-morrow.

The VICE PRESIDENT. Is there objection?

Mr. WAGNER. That is, the consideration of the paragraphs shall go over until to-morrow?

Mr. JOHNSON. Yes.

Mr. WAGNER. I have no objection.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. KING. Mr. President, may I ask the Senator from Idaho [Mr. THOMAS] whether the amendments which he has to a number of paragraphs are to be embraced in one substitute, or whether he has a substitute for each of the paragraphs which he desires to amend?

Mr. THOMAS of Idaho. I may state that the substitutes are for the different paragraphs separately.

Mr. KING. They are not combined into one?

Mr. THOMAS of Idaho. No.

Mr. WAGNER. I understand we are going to see the proposed substitutes to-morrow?

The VICE PRESIDENT. Without objection, the paragraphs will go over until to-morrow. The Senator from Massachusetts asks that the various amendments and amendments in the nature of substitutes be printed in the RECORD. Is there objection to that request? The Chair hears none, and the amendments in the nature of substitutes or otherwise will be printed in the RECORD.

Mr. JONES. I now submit my substitute for paragraph 53.

The VICE PRESIDENT. It, too, will be printed in the RECORD.

The amendments referred to are as follows:

Amendment intended to be proposed by Mr. JONES to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz: On pages 23-24 strike out all of paragraph 53 and insert the following:

"PAR. 53. Oils, animal and fish: Cod, herring, and menhaden, 2 cents per pound; whale, 2½ cents per pound; seal, 2½ cents per pound; sperm, crude, 2½ cents per pound; sperm, refined or otherwise processed, 4½ cents per pound; cod, 3 cents per pound; cod liver, 5½ cents per pound; spermaceti wax, 6 cents per pound; wool grease containing more than 2 per cent of fatty acids, 1 cent per pound; wool grease containing 2 per cent or less of fatty acids and not suitable for medicinal use, including adeps lanæ, hydrous or anhydrous, 3 cents per pound: *Provided*, That the rate of duty on all of the foregoing oils and fats shall in no case be less than 45 per cent ad valorem; all other animal and fish oils, fats, and greases not specially provided for, 45 per cent ad valorem."

Amendment intended to be proposed by Mr. GOLDSBOROUGH to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz:

PAR. 54. On page 24, line 14, strike out "7½ cents" and insert "10½ cents" in lieu thereof.

Amendment intended to be proposed by Mr. JOHNSON to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz:

Paragraph 54, on page 24, line 14, strike out "7½" and insert in lieu thereof "8½."

Amendment intended to be proposed by Mr. WAGNER to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and to protect American labor, and for other purposes, viz:

In paragraph 54, on page 24, line 14, strike out the figures "7½," as proposed by the Finance Committee, and insert the figure "6," and in line 16, before the word "cents," where it occurs the first time, strike out "6½" and insert "4."

Amendment intended to be proposed by Mr. THOMAS of Idaho to H. R. 2667; ordered to lie on the table and to be printed. September 30 (calendar day, October 25), 1929.

On page 24, strike out lines 10 to 19, inclusive, and insert in lieu thereof the following:

"PAR. 54. (a) Oils, vegetable:

"(1) Castor, 5 cents per pound; hempseed, 4½ cents per pound; poppy seed, 8½ cents per pound; rapeseed, 3½ cents per pound; palm, 3½ cents per pound; perilla, 4½ cents per pound; sweet almond, 3½ cents per pound; tung, 5½ cents per pound.

"(2) Olive, rendered unfit for use as food or for any but mechanical or manufacturing purposes, by such means as shall be satisfactory to the Secretary of the Treasury and under regulations to be prescribed by him, 7½ cents per pound, except that in the case of sulphured or foots, the duty shall be 3½ cents per pound; olive not so rendered unfit, weighing with the immediate container less than 40 pounds, 10 cents per pound on contents and containers; olive, not specially provided for, 9 cents per pound.

"(3) None of the foregoing shall be subject to a less rate of duty than 45 per cent ad valorem.

"(4) Linseed or flaxseed, and combinations and mixtures in chief value of such oil, 4½ cents per pound, but not less than 55 per cent ad valorem.

"(5) All other expressed or extracted oils, not specially provided for, 45 per cent ad valorem.

"(b) Vegetable tallow, 3½ cents per pound, but not less than 45 per cent ad valorem."

On page 264, lines 20 and 21, strike out the comma following the word "croton" and the words "palm, perilla, and sweet almond."

On page 273, strike out line 1.

Amendment intended to be proposed by Mr. THOMAS of Idaho to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz: On page 24, strike out lines 20 to 24, inclusive, and insert in lieu thereof the following:

"PAR. 55. Coconut oil, 3½ cents per pound; cottonseed oil, 3½ cents per pound; peanut oil, 5½ cents per pound; palm-kernel oil, 3½ cents per pound; sesame oil, 5½ cents per pound; and soybean oil, 2½ cents per pound: *Provided*, That none of the foregoing shall be subject to a less rate of duty than 45 per cent ad valorem."

Amendment intended to be proposed by Mr. THOMAS of Idaho to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz: On page 25, strike out lines 8 to 13, inclusive, and insert in lieu thereof the following:

"PAR. 57. Hydrogenated or hardened oils and fats, and other oils and fats the composition and properties of which have been changed by

vulcanizing, oxidizing, chlorinating, nitrating, or any other chemical process, and not specially provided for, 45 per cent ad valorem."

Amendment intended to be proposed by Mr. THOMAS of Idaho to the bill (H. R. 2667) to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes, viz:

Paragraph 58, on page 25, line 18 (dealing with the rate on certain combinations and mixtures of animal, vegetable, or mineral oils), strike out "25" and insert "45."

Mr. HARRISON. Mr. President, has the Senator from Idaho offered his substitutes yet?

The VICE PRESIDENT. The Senator from Idaho stated that he had offered his substitutes and that they had all been printed except one. The substitutes offered by the Senator from Idaho have been ordered to be printed in the Record.

Mr. THOMAS of Idaho. The amendments which I introduced to paragraphs 54, 55, 57, and 58, are lying on the table. I ask that they be printed in the Record.

The VICE PRESIDENT. The Chair has just announced that they would be printed in the Record.

Mr. WAGNER. Mr. President, if I may clear up the parliamentary situation, the mere fact that these amendments were offered is not to change the procedure under which we are going forward now? Permission has not yet been given, I understand, to the Senator from Idaho to offer his amendment as a substitute for paragraph 54. That matter is still left open, as I understand it, until to-morrow morning.

The VICE PRESIDENT. It is. The offering of the amendments and having them printed in the Record does not change their status.

Mr. SMOOT. Following the oil paragraphs, the next amendment to be considered will be found on page 26, in line 20. I hope we can proceed with it.

Mr. KING. What disposition was made of the amendment on page 24 relating to eucalyptus oil, which is transferred to the free list?

Mr. SMOOT. I do not think there will be any objection to it. I thought from expressions to-day that it was desired that the oils be considered at the same time, and therefore I suggested that we turn to page 26, paragraph 61, perfumes.

Mr. KING. Inviting attention to the word "vanillin," the Senator has transferred that item to the American valuation, and I supposed it would be considered when we took up paragraphs 27 and 28.

Mr. SMOOT. I do not think there will be any objection to the amendment to paragraph 59. That is one item that goes to the free list.

Mr. KING. Oh, no; I have no objection to that. I thought the Senator was speaking of "vanillin."

Mr. SMOOT. No; I am speaking now of eucalyptus oil.

Mr. KING. I hope that amendment will be agreed to.

Mr. SMOOT. I do not think there will be any objection to it. Let us agree to it. It carries eucalyptus oil to the free list.

The VICE PRESIDENT. Let the amendment be stated.

Mr. SMOOT. It is on page 25, line 24.

The CHIEF CLERK. In paragraph 59, page 25, oils, distilled or essential, the committee proposes, in line 25, to strike out "eucalyptus."

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The CHIEF CLERK. On page 26, line 20, after the word "terpineol," strike out "vanillin," so as to make the paragraph read:

PAR. 61. Perfume materials: Ambergris, castoreum, civet, and musk grained or in pods, 20 per cent ad valorem; anethol, citral, geraniol, heliotropin, ionone, rhodinol, safrol, terpineol, and all natural or synthetic odoriferous or aromatic chemicals, all the foregoing not mixed and not compounded and not specially provided for, 45 per cent ad valorem; all mixtures or combinations containing essential or distilled oils, or natural or synthetic odoriferous or aromatic substances, 40 cents per pound and 50 per cent ad valorem.

Mr. LA FOLLETTE. Mr. President, I do not know why the committee has transferred vanillin from paragraph 61 to paragraph 28.

Mr. SMOOT. I will say to the Senator that the reason why it is transferred from this paragraph to paragraph 28 is that it falls in the American valuation. I think perhaps we had better pass over the amendment to-night if there is any question as to the transfer.

Mr. LA FOLLETTE. Mr. President, I certainly would like to raise some question about it. It transfers the valuation of vanillin to the American selling-price basis. According to the table which the Tariff Commission furnished the Finance Com-

mittee, the imports of vanillin in 1927 were only 1 per cent of the domestic production for that year, and the New York spot-market price for vanillin has been going up. It averaged \$6.60 a pound in 1923, and in 1928 \$7.43 a pound. It would seem to me that with negligible imports—less than 1 per cent in 1927 of the domestic production—and with the marked enhancement in price of the domestic product, it certainly would not be necessary to give vanillin an increased advantage by putting it under American valuation.

Mr. SMOOT. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I yield.

Mr. SMOOT. The question of rates on vanillin will be taken up when we consider paragraph 28. The only reason why the committee transferred vanillin from paragraph 61 to paragraph 28 is that it is a coal-tar product, and is about the only coal-tar product in the whole bill that did not fall in paragraph 28.

As to the rate of duty, that is another matter. When we take up the question of American valuation under the sections to which that valuation applies I shall be very glad to have the Senator make any statement he desires as to the rate under the American valuation and suggest what he thinks the rate ought to be.

Mr. LA FOLLETTE. Mr. President, I am at a loss to understand why the committee put vanillin in paragraph 28, in view of the fact I have just stated that the imports are negligible and the domestic price of the commodity is increasing.

Mr. SMOOT. The Senator is perfectly correct in that; but I say the transfer ought to be made because vanillin is a coal-tar product, and paragraph 28 covers all coal-tar products with the exception of vanillin, which is found in paragraph 61. I know that adoption of American valuation will increase the rate, but when the time comes to consider that I shall be glad to have the Senator discuss that question. I believe, however, that vanillin should be placed in the paragraph with other coal-tar products. As I have said, it is the only one now which does not fall under that paragraph.

Mr. LA FOLLETTE. Mr. President, I ask the Senator to let the amendment be passed over until we may discuss the subject fully. I understand he does not wish to debate it now, and I am not willing to have the proposed action taken until we are in possession of further information.

The VICE PRESIDENT. Without objection, the amendment is passed over. The Secretary will report the next amendment.

The LEGISLATIVE CLERK. In paragraph 62, on page 27, line 16, after the words "bath salts," the committee proposes to strike out "whether or not having medicinal properties, 25 per cent ad valorem" and insert "if not perfumed, 25 per cent ad valorem; if perfumed (whether or not having medicinal properties), 75 per cent ad valorem," so as to make the paragraph read:

PAR. 62. Perfumery, including cologne and other toilet waters, articles of perfumery, whether in sachets or otherwise, and all preparations used as applications to the hair, mouth, teeth, or skin, such as cosmetics, dentifrices, tooth soaps, pastes, theatrical grease paints, pomades, powders, and other toilet preparations, all the foregoing, if containing alcohol, 40 cents per pound and 75 per cent ad valorem; if not containing alcohol, 75 per cent ad valorem; bath salts, if not perfumed, 25 per cent ad valorem; if perfumed (whether or not having medicinal properties), 75 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. LA FOLLETTE. Mr. President, will the Senator please explain why the committee proposes to put a premium on perfumed bath salts?

Mr. SMOOT. Mr. President, as a matter of fact, the rates of the present law have been restored. The classification of bath salts, however, has been a subject of considerable litigation. Under the act of 1922 medicinal salts have been classified at 25 per cent ad valorem in paragraph 5, whereas ordinary bath salts have been classified under paragraph 62 at 75 per cent. The question of whether or not bath salts possess medicinal properties is a difficult one. The new classification in the Senate bill will eliminate the litigation, due to the fact that perfumed bath salts, whether or not they have medicinal properties, carry one rate of duty, whereas bath salts not perfumed carry another rate of duty. This will eliminate the administrative difficulty of determining whether or not each shipment of bath salts possesses medicinal properties. The Treasury Department reports that it has had difficulty from the very day importations began under the act of 1922. As to every importation a question arises as to whether the salt has medicinal properties. This will clarify the situation, and will enable the

imports to be classified, so that in the future as to bath salts there can never be any misunderstanding as to classification.

Mr. LA FOLLETTE. Mr. President, I am very glad the Senator has made this lucid explanation, because, this tariff revision being in the interest of agriculture, I knew it would be of very great interest to the farmers of the United States to know that the committee had finally straightened out the tangle concerning perfumed and unperfumed bath salts.

Mr. SMOOT. I have done that much good anyway, have I not?

Mr. KING. Mr. President, I confess I see no reason for increasing the duty, and I understand there is an increase. Under the act of 1922 there was a basket provision, as I recall.

Mr. SMOOT. No; the rates here provided are exactly the same as in the act of 1922.

Mr. KING. Under the act of 1909 and the act of 1913 there was a basket provision which carried a duty for the highest form of 60 per cent. There are no statistics, so far as I can discover, of production, or imports or exports; we are absolutely in the dark, and I can find no justification for the amendment.

Mr. SMOOT. In paragraph 62 of the act of 1922 nonmedicinal perfumed salts carried a duty of 75 per cent. If the Senator will get the act of 1922—

Mr. KING. I am familiar with it.

Mr. SMOOT. He will find that provision in paragraph 62. That is exactly what is provided here. In other words, this amendment merely reenacts existing law, and the only difference is in the classification, which represents a change insisted upon by the Treasury Department in order that it may administer the law without difficulty.

Mr. KING. Why penalize those who desire to have a little perfume in their bath?

Mr. SMOOT. There is no penalty attached to it.

Mr. KING. I mean penalize them by imposing higher rates of duty? Seventy-five per cent is a high rate.

Mr. SMOOT. I think, of course, that this commodity is a luxury beyond question.

Mr. KING. Is it a luxury?

Mr. SMOOT. I think it is, without doubt. If there is anything on which we could impose a 75 per cent duty, it seems to me it would be perfumed bath salts.

Mr. KING. Mr. President, we are furnished by the Tariff Commission, so far as I can discover, with no information as to manufacture or imports or exports. We are merely shooting in the dark. One representative appears before the committee and says he wanted a higher tariff or the present tariff rate maintained, and the suffering public not appearing, being inarticulate, we respond to the wish of the man who does appear, and therefore we give this rate.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The VICE PRESIDENT. The next amendment will be stated.

The LEGISLATIVE CLERK. On page 27, after line 23, the committee proposes to strike out:

PAR. 64. London purple, 15 per cent ad valorem.

Mr. McKELLAR. Does that go to the free list?

Mr. SMOOT. It goes to the free list.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment was, on page 28, after line 7, to strike out:

(1) Not assembled in paint sets, kits, or color outfits, in tubes, jars, cakes, pans, or other forms not exceeding 1½ pounds net weight, valued at less than 20 cents per dozen pieces, 40 per cent ad valorem;

(2) Not assembled in paint sets, kits, or color outfits, valued at 20 cents or more per dozen pieces, in tubes or jars, 2 cents each and 40 per cent ad valorem; in cakes, pans, or other forms not exceeding 1½ pounds net weight, 1½ cents each and 40 per cent ad valorem;

(3) In bulk or any form exceeding 1½ pounds net weight, 40 per cent ad valorem.

And in lieu thereof to insert:

(1) Whether in bulk or in tubes, cakes, jar, pans, or other forms, not assembled in paint sets, kits, or color outfits, 40 per cent ad valorem.

Mr. COPELAND. Mr. President, I have a good many protests about this amendment. Is the Senator desirous of going on with it now? I have talked a good deal to-day.

Mr. SMOOT. I should like to go on for a little while with it. Let me say to the Senator that the Finance Committee has disagreed to the House provision and restored the rates of the

existing law. The rates provided for by the House constituted a great increase over those of existing law, particularly as to classification in subparagraph 2 of paragraph 66, beginning in line 13 on page 28.

Mr. McKELLAR. Then, as I understand the Senator the Senate committee amendment carries a less rate than the House bill?

Mr. SMOOT. A very much less rate.

Mr. McKELLAR. To what extent?

Mr. SMOOT. I will call the attention of the Senator to page 28, line 15, where the Senate committee amendment takes off "2 cents each" and also the 1½ cents in line 17. In other words, the House put those specific duties on in addition to the ad valorem duties, but the Senate committee has disagreed to those amendments and restored the rates of the existing law.

Mr. GILLET. Mr. President, I wish to offer an amendment to this paragraph.

Mr. SMOOT. An amendment to the committee amendment?

Mr. GILLET. A substitute for the committee amendment.

Mr. SMOOT. That is in order at this time.

Mr. GILLET. I offer the amendment which I send to the desk in the nature of a substitute for the committee amendment.

Mr. SMOOT. Has the Senator had the amendment printed?

Mr. GILLET. No.

The VICE PRESIDENT. The amendment will be reported.

The LEGISLATIVE CLERK. In lieu of the committee amendment it is proposed, on page 28, to strike out all after line 7 down to and including line 2, page 29, and in lieu thereof to insert:

(1) When in tubes, jars, cakes, pans, or other forms, not exceeding 1½ pounds net weight each, and valued at less than 20 cents per dozen pieces, 1½ cents each per jar or tube; 1 cent each per cake, pan, or other forms; when assembled in paint sets, kits, or color outfits, with or without brushes, water pans, outline drawings, stencils, or other articles, in addition to the rates provided above, 20 per cent ad valorem on the value as assembled.

(2) When in tubes, jars, cakes, pans, or other forms, valued at 20 cents or more per dozen pieces, and not exceeding 1½ pounds net weight each, 2 cents each per tube or jar and 40 per cent ad valorem; in cakes, pans, or other forms, 1½ cents each and 40 per cent ad valorem; when assembled in paint sets, kits, or color outfits, with or without brushes, water pans, outline drawings, stencils, or other articles, 70 per cent ad valorem on the value as assembled: *Provided*, That the words "assembled" or "assembly" when used in this paragraph shall mean the identical form, container, and assortment of merchandise customarily and generally sold to the ultimate consumer or user. When imported in any other form, container, or assembly, the container and the contents shall pay duty as if imported separately.

(3) In bulk, or any form exceeding 1½ pounds net weight each, 12 cents per ounce.

Mr. GILLET obtained the floor.

Mr. HARRISON. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. GILLET. Certainly.

Mr. HARRISON. Is this a committee amendment?

Mr. SMOOT. No; it is an amendment that has just been offered by the Senator from Massachusetts.

Mr. GILLET. This is a substitute.

Mr. HARRISON. A substitute offered by the Senator from Massachusetts?

The VICE PRESIDENT. It is offered and is now up for consideration.

Mr. COPELAND. Mr. President—

Mr. KING. Mr. President, I should like to ask the chairman of the committee whether the committee is in sympathy with this amendment, which increases the duty, as I understand, far above the present law and the recommendations of the committee?

Mr. SMOOT. Mr. President, I will say to my colleague, so far as that is concerned, that this is the first time I have seen the amendment. I have not seen it, nor have I heard it read, before.

Mr. COPELAND and other Senators addressed the Chair.

The VICE PRESIDENT. Does the Senator from Massachusetts yield; and if so, to whom?

Mr. GILLET. I do not yield at all. I think I had better explain the amendment first.

The VICE PRESIDENT. The Senator from Massachusetts is recognized.

Mr. GILLET. Mr. President, I appreciate the attitude of the Senator from Utah, and I appreciate that at first blush the majority of the Senate would be against this amendment; but if they will give attention I sincerely believe that there is not an amendment offered by the committee or others to this bill that

is more meritorious and more deserves the consideration and approval of the Senate than this.

What the amendment does is this:

There are two classes of colors which are imported and which are used in this country. One is what are called artists' colors, which are expensive, and to which this amendment is practically irrelevant. I am indifferent about them. The other is the class, the duty on which, I appreciate, at first blush Senators will think ought not to be raised; and that is the class of paints that are used by school children in the schools. That is what is covered by this amendment. Instead of giving them a duty of 40 per cent ad valorem, it gives them a duty of 1 cent on each cake, and then, when assembled, a duty of 20 per cent ad valorem.

Before the war we did not make any of these colors. They were all imported. When the war came, several of our manufacturers began to make them. Not only did they make them but they invented an entirely new process and product; and instead of making the little dry cakes on which you had to moisten your brush and rub it, sometimes, they made what they called the semimoist cakes, which have been used ever since, and which now all foreign importations have imitated and used; so that in the first place it is really an American invention.

In the second place, you will appreciate that this is practically all labor. The raw material is of very little account. It costs nothing. It is all labor; and the labor cost in Germany, where the cheapest paints are made, as compared with the cost here, is as 1 to 5. The experts there get about 90 cents a day, and here we pay from \$5 to \$6 a day to our workmen who are making these paints. In Holland, where they are also made, they cost about 6 to 7 cents a dozen. In Germany they cost only from 3 to 4 cents a dozen. They have got the cost down to that, while our cost is 15 cents per dozen; so that unless we do have a material specific duty we shall be flooded with importations, just as we are to-day. They have been bringing in these students' colors from Europe and flooding our market; and the only way in which we have withstood it at all is that every one of our manufacturers who is making these colors to-day is doing it at a loss at present. One has gone out of business. The others are doing it at a loss, simply in the hope that the tariff will give them protection, and that they can keep on. So it is simply a question either of giving up an enterprising American industry for the sake of allowing these colors to come in from the other side, or of giving them this protection.

The foreigners have not simply done that; but I think all the Senators received these two boxes which contain these paints and a brush. That box is entirely an American invention. It never was used in Europe until we began to make the paints. We invented this box. What have they done over there? Those of you who have noticed them—and I think you have all had them sent to you—noticed that they have absolutely pirated our invention. As far off as that, you can hardly see the difference. They have exactly copied the American pattern. The wording is different, of course; it has to be; but they are made as much alike as possible. One has a picture of the Statue of Liberty on it, and the other has a picture of "Old Faithful" on it; and then on the German box, here on the back, where you never see it, just by the hinge, and so small that I can hardly see it from here, is "Made in Germany." Nobody would ever notice it unless he took it up and looked at it from all sides, as there is no occasion to do.

So it is a sheer piracy. They have imitated us in making the moist paints which we invented. They have imitated us in our boxes. They are trying to cheat; and that in itself, I think, is one little reason why we should be suspicious.

Mr. COUZENS. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Michigan?

Mr. GILLET. Certainly.

Mr. COUZENS. Does the Senator mean by that to imply that we do not pirate on the foreigners, too, when we copy all their products over here?

Mr. GILLET. Well, I presume we do; but I do not think it makes us any more self-respecting and popular, and I think when they do pirate like that it ought to give rise to a little feeling against them on our part.

Mr. COUZENS. The point I was trying to make was that I think the argument made by the Senator in that respect has no bearing at all on the situation, because all sorts of evidence were submitted to the committee of the piracy of American producers on the designs and products of European and other countries.

Mr. GILLET. Then I will drop that. I confess, however, that it did excite my antagonism, and I thought it would excite

some sympathy here, because this was such an obvious case of stealing our invention.

Mr. JOHNSON. Mr. President, will the Senator from Massachusetts yield?

Mr. GILLETT. Certainly.

Mr. JOHNSON. The answer to the Senator from Michigan is, Does that occur with these articles with our people? If it does not, they ought not to be charged with what has been done by other individuals who have been pirating German inventions and the like. I think, therefore, the argument made by the Senator from Massachusetts is perfectly sound; but what the Senator from Michigan says is a reflection upon others who may indulge in nefarious practices.

Mr. COUZENS. I should like to point out to the Senator from California that it is no crime, as I understand, for industry in one country to copy designs from another. It is no crime to take advantage of every sort of device and design that is not patented in competition in industry. The Senator from Massachusetts was implying that somebody had committed a crime because somebody copied somebody else's product.

Mr. GILLETT. Oh, no, Mr. President!

Mr. JOHNSON. I do not understand that the Senator from Massachusetts says it is a crime.

Mr. COUZENS. He says that pirating is a crime.

Mr. JOHNSON. That is not the point. The point is that it is not good morals; and therefore to Americans, where their particular designs are pirated in this particular country, it is an argument in favor of the position taken by the Senator from Massachusetts.

Mr. COUZENS. Do I understand the Senator from California to say that piracy is not a crime?

Mr. GILLETT. I did not say that it is a crime. Of course, it is not a crime to do this; but, on the other hand, it is an unfair practice. It is an unfair practice to try to make the German product so much like ours that it will deceive the buying public into thinking it is ours; and if that is not a crime, it is a practice which I do not think will excite sympathy, even from the Senator from Michigan.

Mr. DILL. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Washington?

Mr. GILLETT. I do.

Mr. DILL. What is the comparative selling price of these articles?

Mr. GILLETT. There are eight cakes in each of these boxes. The German cost is between 3 and 4 cents a dozen cakes, and the American cost is 15 cents a dozen cakes. There are eight cakes in a box of this kind.

Mr. DILL. When they are sold here, are they sold at the same price?

Mr. GILLETT. Does the Senator mean the German product?

Mr. DILL. Yes.

Mr. GILLETT. Very nearly. The Germans, of course, do not sell it here for what their home selling price is. They come up as nearly as they dare to our price. They cut under us a little. They cut under us as much as is necessary to get the market; and what our manufacturers have been compelled to do is to sell at a loss, as they have been doing. As each manufacturer's books will show, he has been selling at a loss to try to keep the business temporarily.

Mr. BLACK. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Massachusetts yield to the Senator from Alabama?

Mr. GILLETT. Certainly.

Mr. BLACK. I am in thorough sympathy with the idea that this is an unfair practice. I have seen these two boxes; but may I ask if that is not covered by the power given to establish an embargo against anything that constitutes an unfair practice?

Mr. GILLETT. I did not know there was such a power at this time.

Mr. BLACK. There is such a provision in the bill which has been under discussion.

Mr. GILLETT. It is not in the present law, I think.

Mr. BLACK. It is in the law, and a question came up as to an amendment by the junior Senator from Utah [Mr. KING]; but it went over, and has not yet been passed upon.

Mr. GILLETT. As to that I do not know. Certainly, it seems to me, if it ever could be prohibited, here is a case where it should be.

Mr. BLACK. I think so myself.

Mr. GILLETT. The European nations at present do establish an embargo, such as the Senator from Alabama just referred to, in Holland. In their schools, nothing can be used except a product which is made in Holland. In Italy they have a royal

proclamation forbidding the use in their schools of anything that is not made in Italy. In Germany it is reported that there is an understanding, not an explicit regulation, that they shall use German materials; so it seems to me we should take that position in the United States.

Here is a school product. The argument has been made, I understand—and of course it does appeal to our sensibilities—that this is something for the children, and therefore we dislike to make it more expensive. After all, however, it is not the children that pay for it. The children do not get any less as a result of putting a tariff duty on it and protecting our manufacturers. The school authorities, of course, will buy the cheapest product; but they buy for the indigent students, and the other students buy the product for themselves. After all, however, we do not deny a duty because an article is to be used by children. We put a duty on milk, and nothing is so essential to a child as milk. Therefore, if the protective principle demands that a tariff duty should be put on an article, the mere fact that it is to be used by children I think will not affect us if we consider it seriously.

Mr. President, it seems to me there is not a section in the bill where the real principle of protection, believed in by a great share of the other side and a great share of this side, is better exemplified than in this. The imports now are about one-third of the whole consumption; and the only reason why they are not the whole of the consumption is, as I have said, because we are manufacturing to-day at a loss in order to hold the market.

Mr. DILL. Mr. President, will the Senator yield again?

The PRESIDENT pro tempore. Does the Senator from Massachusetts further yield to the Senator from Washington?

Mr. GILLETT. Yes.

Mr. DILL. How many corporations are engaged in making these paints?

Mr. GILLETT. I think there are about half a dozen large ones.

Mr. DILL. Did I understand the Senator to say that they are all losing money?

Mr. GILLETT. I think so. They are not all losing money on their whole business. For instance, there is one in my city, the Milton Bradley Co., which is a very prosperous manufacturing concern; but this is merely one small branch of their business. They do not lose money on their whole business, but they are losing money on this business, and will give it up unless they can get some protection so that they can sell the article at a profit. I understand that the condition is exactly the same with others. One large factory has been entirely driven out of business.

Another thing. If we do let the foreigners have the whole business, as they had it before the war, we will not permanently get this price of 3 cents, at which they can make these paints. They will come over here, and after they have driven us out of the market they will have the market to themselves; and I doubt if we will get the product any cheaper than we are now selling it ourselves. As a mere matter of dollars and cents, it is by no means certain we would lose anything by it, and we would certainly be protecting a worthy, enterprising, ingenious American industry.

Mr. WALSH of Massachusetts. Mr. President, will my colleague yield?

Mr. GILLETT. Certainly.

Mr. WALSH of Massachusetts. I inquire if my colleague is going to enumerate, in the course of his argument, the increased duties that have been levied in this bill upon the boxes, the brushes, and the paints which are used in making this commodity? If my colleague has not those figures at hand, which impressed me very forcibly, I would like to put into the RECORD a statement of the tariff changes in this bill covering the very materials which are used to make this student's paint box, upon which there is no increased duty.

The tin box now carries a duty of 40 per cent, and this is raised in both House and Senate bills to 45 per cent ad valorem.

The rate on the brush included in the box is increased from 45 per cent ad valorem, as in the present law, to 50 per cent ad valorem in both bills.

The dyes, chemicals, and coal-tar products used in making paint, bear a duty of 45 per cent ad valorem and 7 cents per pound, American valuation. As 25 per cent of the cost of making these paints is for dyestuffs, this duty is a heavy burden to the domestic maker when in competition with the foreign producer. This heavy duty amounts to an embargo, and the domestic producer must pay substantially more for making paints than the foreign producer of these paints who buys his dyes, chemicals, and coal-tar products without the burden of these exorbitant duties.

I was impressed, as I know my colleague must have been, with the fact that we have here an industry that finds increased duties in this bill on things it uses, and yet itself has not been given an increased duty on its finished product.

I thank my colleague for yielding to me.

Mr. GILLET. Mr. President, I do not think I care to argue the matter further. I hope I have made it clear that, in the first place, this is an American enterprise, an American ingenuity, that foreigners have copied it, that they have tried to deceive our purchasers by their imitation of our box, that we can not possibly operate without an additional duty, that the labor cost is all that makes it possible for them to underbid us, and therefore it is only fair that we should have protection.

Mr. COPELAND. Mr. President, the Senator from Massachusetts has presented an elaborate, complicated amendment. We have not had an opportunity to read it. As I have indicated to the Senate, I have had many letters regarding this matter, and I feel under obligation to present the complaints. I wonder if the Senator from Utah would not consent now to put over the amendment until to-morrow morning?

Mr. SMOOT. Mr. President, the amendment has not been printed, and I have not even seen it myself, so I think the request of the Senator from New York is a reasonable one.

The PRESIDENT pro tempore. By unanimous consent, the amendment proposed by the committee will be passed over. In the meantime the amendment submitted by the Senator from Massachusetts [Mr. GILLET] will be printed and will be regarded as pending whenever the committee amendment shall be taken up for further consideration.

Mr. JONES. Mr. President, while the discussion of the lumber and shingle provisions in the bill will not come up for some considerable time, I hold in my hand an editorial from the Seattle Times which gives a very concise and comprehensive statement of the conditions of the shingle and lumber industry and of the need for action by the Congress. Although it might be well for me to hold this editorial until the discussion of those items comes up, I think possibly if I should have it printed in the RECORD some Senators interested in the matter might look it over. So I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Seattle Times]
NORTHWEST FACES CRISIS

How profoundly the Federal Government can affect the economic well-being of a section of the country is illustrated by the fight now in progress to obtain protective duties on lumber, shingles, and cedar products.

Here in the Pacific Northwest our greatest industry is facing ruin because the Senate so far refuses to give it protection from the unequal competition of foreign producers. The prediction that disaster will follow a failure of Congress to grant relief is not the imagining of calamity howlers, but a statement of cold, hard fact.

Before the tariff on lumber and shingles was removed by the Underwood bill 16 years ago, the production of the British Columbia mills was negligible. Since the products of Canadian mills have had free access to our domestic markets they have increased enormously. From 70 to 90 per cent of the total British Columbia shingle output displaces American products in American markets. By way of protecting its own markets, Canada imposes a duty of 25 per cent ad valorem on importations from the United States.

How ruinous has been this competition may be seen from statistical reports. More than 50 per cent of the shingle mills of this State have been forced out of business since 1922. One-third of the remainder are on the verge of bankruptcy, while the few mills operating are holding on only in the hope of congressional relief.

It is not difficult to see how British Columbia can produce cheaper lumber and shingles. Logs are cheaper and taxes less burdensome. Oriental labor employed in the mills receives less pay than American workmen. Then, too, the raw material is easily accessible to the mills, while here it must be transported considerable distances and at great cost.

Forty years ago the lumber industry in this State enjoyed the advantage of proximity to the supply of logs. It was not subject to the heavy expense of bridging rivers, building logging roads, and high wage scales. When the need arose a tariff was put on foreign lumber sufficient to offset the advantages of cheaper logs and lower taxes.

The lumber industry grew great during the time it was protected from foreign competition. It improved methods and machinery. It systematized its marketing, established higher wage scales and better working conditions, and built up an organization which promised reasonable permanency. It has been only through the most rigid economy, and by the momentum it had attained in prosperous years, that it has managed to exist at all since the tariff was taken off.

The threat of disaster is not entirely from the rapidly expanding industry in Canada, but also from Russia, whose timber resources are the greatest in the world. The vast forests of Russia are owned by the Soviet Government. The lumber manufactures are conducted by the government or by specially authorized trusts. Wages are low and production is cheap.

All Russian exports are controlled by the government. There is at present an unusual activity in the Russian lumber industry. Already its output takes care of the deficiencies in Europe, and Russia is now looking to American markets to help build up its credit abroad.

If Congress should fail to grant the relief asked by the northwest lumber interests, there is little doubt that the industry here will fall into rapid decline. The effects of this would be far-reaching. Every interest of capital and of labor in this region would be affected.

The people of Washington are looking to Senator JONES and Senator DILL to save the situation. Fortunately, our hopes do not rest entirely on 2 Members of a body which has 96 in all. We have, for instance, the Senators from Oregon and California, and we have a working agreement with Senators from Montana, Idaho, and Nevada. Numerically, this western senatorial group is not large, but there is sound reason for the belief that the managers of the tariff bill will need its votes en bloc.

So far as this region is concerned we should be infinitely better off with no tariff legislation at all than to have an act that does not grant protection to our greatest industry.

Mr. LA FOLLETTE. Mr. President, there appeared in the Washington Post this morning a double-page ad, paid for by the Minneapolis Tribune, containing three editorials from the Minneapolis Tribune on the tariff and an excerpt from the Republican platform on agriculture.

These editorials are from a staid, conservative newspaper, published in Minneapolis, which boasts that it has been consistently Republican since 1867. I think it will be of interest to the Senators to learn of the position which this conservative paper has taken upon the pending tariff bill.

I therefore ask consent that these three editorials and the excerpt from the platform be printed in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

"PARITY" FOR AGRICULTURE MEANS BILLIONS FOR INDUSTRY

"LET US KEEP OUR PLEDGES TO THE FARMER"

The Republican Party's Promises to Agriculture

(Extracts from the Republican platform adopted at Kansas City June 12-15, 1928)

A protective tariff is as vital to American agriculture as it is to American manufacturing. The Republican Party believes that the home market, built up under the protective policy, belongs to the American farmer, and it pledges its support of legislation which will give this market to him to the full extent of his ability to supply it.

We favor adequate tariff protection to such of our agricultural products as are affected by foreign competition.

The Republican Party pledges itself to the development and enactment of measures which will place the agricultural interests of America on a basis of economic equality with other industries to insure its prosperity and success.

[Editorial in the Minneapolis Tribune, October 12, 1929]

Agriculture would promptly turn over the bulk of the sum to industry in exchange for the products which industry has to sell.

Industry would profit by the increased buying power of American agriculture just as it has already profited by the increased buying power of American labor.

"Parity" for agriculture means nothing more and nothing less than enormously increased sales for industry.

Why, then, shouldn't industry exert all the vast influence it has at its command to hold the tariff revision to the purposes outlined by President Hoover?

Widen the spread between agriculture's costs and prices by \$1,000 per individual farmer per year and you place at industry's disposal the colossal added buying power of \$7,000,000,000 per year.

Where else in the world has industry the target of a \$7,000,000,000 market to shoot at?

The tariff can be so revised as further to weaken agriculture's buying power or it can be so revised as greatly to expand it.

Surely industry should be able to see that a weakened buying power on the part of agriculture would represent to industry a calamity of the first magnitude.

Surely it should be able to see that its interests all lie on the side of expanding agriculture's buying power via the plan of tariff revision originally sketched in the Republican Party platform.

American industry is crying that it must have new outlets abroad.

Has it ever occurred to industry that the greatest and richest potential market in the world lies in the interior of a country called the United States and along a valley called the Mississippi?

Has it ever occurred to industry that a doubling of the buying power of this region would do more to assure industry's continued expansion and prosperity than almost anything else the human mind could conceive?

And has it further ever occurred to industry that the direct, immediate, and logical way to increase the buying power of this region is to put its shoulder behind the movement to hold the Republican Party to its pledges to agriculture?

A literal fulfillment of the Republican Party's pledges would mean a substantial increase in the buying power of the agricultural area of the United States.

The present income enjoyed by agricultural America is approximately \$12,000,000,000.

Were agriculture enjoying the same proportionate income that the rest of the United States is enjoying that income would be \$18,000,000,000.

"Parity" for agriculture means just that—an added annual income of, roughly, \$6,000,000,000.

Were this ideal realized, who would get the additional \$6,000,000,000—agriculture or industry?

Obviously, both.

Why should industry worry itself about foreign markets when the world's greatest market lies right at its door?

Iowa is a better market than India, Kansas is better than Kamchatka, and Minnesota is better than Mesopotamia.

The will to buy is in the West. There no want needs to be created, no racial prejudice needs to be broken down, no old-age habit needs to be overcome.

There sales resistance is at its lowest, and there foreign competition is virtually nonexistent.

There no anti-American legislation needs to be feared.

There no salesman has to be taught a new language, and no adjustment has to be made to strange commercial practices.

Industry should acquaint itself with the fact that the "greatest foreign market" in the world lies along the Mississippi Valley.

Nor should it lose sight of the fact that every added billion dollars a year for agriculture means an added billion dollars a year for industry.

"Parity" for agriculture means billions for industry.

Isn't it time that industry began to see straight on this matter?

Isn't it time that it caught the idea that instead of opposing agriculture's case before Congress it should be agriculture's most vigorous champion and special pleader?

NOW AMERICAN INDUSTRY SUFFERS FROM UNREPRESENTATIVE REPRESENTATION

[Editorial in the Minneapolis Tribune, October 14, 1929]

Industry's stake in the Republican Party's famous "home-market pledge" (reproduced at the head of this column) is as pronounced as agriculture's.

At present the American people pay about a billion dollars a year to foreigners for agricultural products which American agriculture could quite as satisfactorily produce.

Through the home-market pledge the Republican Party promised to exclude from American shores this annual billion dollars' worth of imported agricultural products and so to turn that billion dollar market over to the American farmer.

The exclusion was to be accomplished by a tariff revision which would wall off that inflow of competitive agricultural products.

This particular billion dollars of American money spent on agricultural products is now passing outside the boundaries of continental United States, and traveling to the Argentine, Cuba, the Philippines, the West Indies, the East Indies, Java, the Hawaiian Islands, Germany, Holland, Porto Rico, and countless other far places.

How much good to American industry is a billion dollars of American money scattered over the four corners of the globe?

Perhaps some small fraction of it may be recovered by the American automobile manufacturer and the American movie corporation, but the bulk of it, obviously, is lost to American industry.

Consider now what would happen if that billion dollars, instead of being disbursed abroad, were disbursed among the American farmers living on the mainland of the United States.

The largest part of the sum would inevitably linger but a short time in the hands of the American farmers. It would quickly be turned over to the American manufacturers in exchange for products which the manufacturers have to sell.

Thus, that billion dollars might be likened to a football which the United States Government would toss to agriculture, and which agriculture, in turn, would toss to industry.

Logically, therefore, industry should be fighting as hard as agriculture to see the transfer of that billion-dollar market effected.

Yet here we are confronted by the paradox that industry is opposing the fulfillment of the home-market pledge instead of championing it. Here we are confronted by the paradox that industry is making extra and special efforts to escape the annual billions dollars' worth of sales freely offered it.

What causes industry to stand in its own light, to range itself against its own interests, to block its own advancement?

One need not hunt long to discover why.

The individual American industry is well organized, but American industry as a whole is not.

It so happens that the interests of the individual American industry are often diametrically opposed to the interests of American industry as a whole.

Thus, while a fulfillment of the home-market pledge in terms of casein might be harmful to one individual American industry, it would be helpful to American industry as a whole.

Or while a fulfillment of the home-market pledge in terms of vegetable oils and fats might be harmful to one individual American industry, it would be helpful to American industry as a whole.

Or while a fulfillment of the home-market pledge in terms of blackstrap molasses might be harmful to one individual American industry, it would be helpful to American industry as a whole.

Hence this strange situation develops: When a concrete issue is under fire, the one adversely affected industry, that is to say, the one unrepresentative industry, is certain to speak for industry as a whole.

Industry as a whole, being unorganized, is inarticulate.

It remains silent and indifferent while the one individual industry which is really fighting its best interests volunteers to act as its spokesman.

In other words, industry as a whole is the victim of unrepresentative representatives.

Were industry organized as a solid unit, did it have a supreme directorate, let us say, this sort of thing could never happen. The directorate would put all its power and weight and authority behind every move intended to fulfill the home-market pledge made agriculture. The false credentials of the individual, vocal, and unrepresentative industry would be exposed.

Surely it is high time that industry as a whole began to organize in its own defense.

A failure to redeem the home-market pledge will cheat industry out of an annual billion dollars' worth of sales quite as certainly as it will do the same thing to agriculture. Agriculture's loss will be industry's, and industry's will be agriculture's; the two are one and coterminous. Can not American industry as a whole see the damage it is likely to suffer unless it finds some method of stamping out this evil of unrepresentative representation?

AN APPALLING DISPARITY

[Editorial in the Minneapolis Tribune, October 25, 1929]

Since 1919 the income of American industry has increased from fifty billion to seventy-six billion dollars a year.

Industry's income in that period has increased 52 per cent since 1919. Agriculture's income has decreased from fifteen to twelve billion dollars.

In the same period that industry's income increased 52 per cent, agriculture's income decreased 20 per cent.

This appalling disparity may well give pause to any one forecasting the future prosperity of the Nation.

The basis of wealth of the Nation lies in a sound and prosperous agriculture.

The wiping out of billions of dollars of paper profits in the last few days irresistibly brings this fact home.

If this disparity between the incomes of agriculture and industry continues, agriculture finally will collapse. The collapse of agriculture means eventual disaster to industry.

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore. In accordance with an order of the Senate heretofore entered, the Chair refers to the appropriate committees sundry executive messages from the President of the United States.

RECESS

Mr. SMOOT. I move that the Senate take a recess until to-morrow at 10 o'clock.

The motion was agreed to; and the Senate (at 5 o'clock and 50 minutes p. m.) took a recess until to-morrow, Saturday, October 26, 1929, at 10 o'clock a. m.

NOMINATIONS

Executive nominations received by the Senate October 25 (legislative day of September 30), 1929

ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY

Charles C. Hart, of the District of Columbia, now envoy extraordinary and minister plenipotentiary to Albania, to be envoy extraordinary and minister plenipotentiary of the United States of America to Persia.

SECRETARIES IN THE DIPLOMATIC SERVICE

The following-named Foreign Service officers of class 6 and consuls to be also secretaries in the Diplomatic Service of the United States of America:

Harry E. Carlson, of Illinois.

Hugh S. Fullerton, of Ohio.

Sidney E. O'Donoghue, of New Jersey, now a Foreign Service officer of class 8 and a consul, to be also a secretary in the Diplomatic Service of the United States of America.

Lawrence Higgins, of Massachusetts, now a Foreign Service officer, unclassified, and a vice consul of career, to be also a secretary in the Diplomatic Service of the United States of America.

FOREIGN SERVICE OFFICERS

UNCLASSIFIED

The following-named persons to be Foreign Service officers, unclassified, of the United States of America:

Bernard Gufler, of Washington.

Andrew W. Edson, of Connecticut.

George Bliss Lane, of New York.

Paul J. Gray, of Maine.

James W. Riddleberger, of Virginia.

Leo P. Hogan, of New Jersey.

Richard S. Huestis, of New York.

Ralph J. Blake, of Oregon.

William E. Scotten, of California.

Edward Page, jr., of Massachusetts.

Claude B. Chipfield, of Illinois.

Frederic C. Fornes, jr., of New York.

Alan N. Steyne, of New York.

Charles A. Hutchinson, of Minnesota.

William F. Cavanaugh, of California.

William S. Farrell, of New York.

Montgomery H. Colladay, of Connecticut.

Robert Janz, of Oklahoma.

Lucius J. Knowles, of Massachusetts.

Thomas A. Hickok, of New York.

Edmund J. Dorsz, of Michigan.

William K. Ailshie, of Idaho.

William W. Adams, of the District of Columbia.

VICE CONSULS

The following-named persons to be vice consuls of career of the United States of America:

Bernard Gufler, of Washington.

Andrew W. Edson, of Connecticut.

George Bliss Lane, of New York.

Paul J. Gray, of Maine.

James W. Riddleberger, of Virginia.

Leo P. Hogan, of New Jersey.

Richard S. Huestis, of New York.

Ralph J. Blake, of Oregon.

William E. Scotten, of California.

Edward Page, jr., of Massachusetts.

Claude B. Chipfield, of Illinois.

Frederic C. Fornes, jr., of New York.

Alan N. Steyne, of New York.

Charles A. Hutchinson, of Minnesota.

William F. Cavanaugh, of California.

William S. Farrell, of New York.

Montgomery H. Colladay, of Connecticut.

Robert Janz, of Oklahoma.

Lucius J. Knowles, of Massachusetts.

Thomas A. Hickok, of New York.

Edmund J. Dorsz, of Michigan.

William K. Ailshie, of Idaho.

William W. Adams, of the District of Columbia.

UNITED STATES CIRCUIT JUDGE

William M. Sparks, of Indiana, to be United States circuit judge, seventh circuit, vice Albert B. Anderson, retired.

MEMBER OF THE UNITED STATES BOARD OF TAX APPEALS

Eugene Black, of Clarksville, Tex., to be a member of the United States Board of Tax Appeals for the unexpired term of six years from June 2, 1926, vice John B. Milliken, resigned.

COLLECTOR OF INTERNAL REVENUE

George L. Sheldon, of Pettit, Miss., to be collector of internal revenue for the district of Mississippi in place of George L. Donald.

APPOINTMENT IN THE ARMY

CHAPLAIN

To be chaplain with the rank of first lieutenant

First Lieut. Andrew Thomas Francis Nowak, Chaplains Reserve, with rank from October 22, 1929.

PROMOTIONS IN THE REGULAR ARMY

To be colonels

Lieut. Col. Frank Thomas McNarney, Cavalry, from October 19, 1929.

Lieut. Col. Thomas MacAllister Knox, Quartermaster Corps, from October 20, 1929.

To be lieutenant colonels

Maj. Frederick Julius Ostermann, Infantry, from October 19, 1929.

Maj. William James Connolly, Infantry, from October 20, 1929.

To be majors

Capt. Jay Kenneth Colwell, Cavalry, from October 19, 1929.

Capt. Lawrence Wellburn Fagg, Infantry, from October 20, 1929.

Capt. Albert Russell Ives, Field Artillery, from October 22, 1929.

DENTAL CORPS

To be major

Capt. William Swann Shuttleworth, Dental Corps, from October 19, 1929.

MEDICAL ADMINISTRATIVE CORPS

To be captain

First Lieut. Harvey Israel Rice, Medical Administrative Corps, from October 19, 1929.

PROMOTIONS IN THE NAVY

Commander Robert L. Ghormley to be a captain in the Navy from the 11th day of October, 1929.

Lieut. Commander Percy W. Northcroft to be a commander in the Navy from the 6th day of June, 1929.

Lieut. (Junior Grade) Douglas P. Stickley to be a lieutenant in the Navy from the 27th day of March, 1929.

Lieut. (Junior Grade) John E. French to be a lieutenant in the Navy from the 1st day of July, 1929.

Lieut. (Junior Grade) George E. Palmer to be a lieutenant in the Navy from the 16th day of July, 1929.

Lieut. (Junior Grade) Emory P. Hylant to be a lieutenant in the Navy from the 2d day of August, 1929.

Lieut. (Junior Grade) Valvin R. Sinclair to be a lieutenant in the Navy from the 27th day of September, 1929.

Lieut. (Junior Grade) Augustus D. Clark to be a lieutenant in the Navy from the 1st day of October, 1929.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 3d day of June, 1929:

John F. Greenslade.

Louis E. Gunther.

WITHDRAWAL

Executive nomination withdrawn from the Senate October 25 (legislative day of September 30), 1929

MEMBER OF THE UNITED STATES BOARD OF TAX APPEALS

Eugene Black, of Clarksville, Tex., to be a member of the United States Board of Tax Appeals for the unexpired term of six years ending June 7, 1932, in place of John B. Milliken, resigned, which was submitted to the Senate October 21, 1929.

SENATE

SATURDAY, October 26, 1929

(Legislative day of Monday, September 30, 1929)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

Mr. FESS obtained the floor.

Mr. HEFLIN. Will the Senator yield?

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Alabama?

Mr. FESS. I yield.